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China Report

AGRICULTURE



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16 April 1985

CHINA REPORT

AGRICULTURE

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NATIONAL

DOCUMENT NO 1 OF 1985 SETS RURAL REFORMS

OW240258 Beijing XINHUA in English 0229 GMT 24 Mar 85

[Text] Beijing, 24 March (XINHUA)--The relaxation of state purchasing quotas and a boost in aid for local industries are among the new rural economic reforms outlined in an official document published here today.

Communist party Central Committee's Document No 1 for 1985 sets out 10 measures aimed at encouraging a market-oriented rural economy.

Formulated according to guidelines for national economic reform laid down at the 3d Plenum of the 12th Party Central Committee late last year, it says the new policies will further release rural productive forces and bring about a new surge in agricultural production.

The Policies:

--Mandate reforming the system of compulsory purchases of agricultural produce;

abolish state purchase quotas, except for some special products, beginning this year;

allow prices of all agricultural output except cotton and grain to float at free market rates while the government will take measures to protect the interests of city consumers. This covers produce including pigs, aquatic products and vegetables produced for sale in big and medium-sized cities and mining areas. The state will continue purchasing grain and cotton, but will also allow these products to be sold at floating prices once contractual production quotas are met;

call for purchasing contracted amounts of grain and cotton from peasants at the listed state price. If market prices fall below this level, the state will purchase all available market grain at the listed price to protect the interests of producers;

--continue to implement the policy of vigorously developing a diversified economy while grain production should not be slackened;

commit the financial and material resources of the state to helping grain and cotton producing areas develop local processing, breeding, feed and foodstuffs industries;

--encourage efforts to turn hillside fields with gradients greater than 25 degrees into forests or pastures. Bans on free market sales of timber produced by collectives will be lifted, and state forestry farms are allowed to sign labor or joint management contracts with their workers and local peasants. Free sales of medicinal herbs, except a few categories, will be allowed;

--call for the vigorous development of transport facilities, with local and state support for road building projects;

permit the leasing, sale or contractual use by individuals of idle state-owned vehicles and boats;

call for the sale of more trucks to rural areas to encourage the growth of cooperatively-owned transport fleets;

--grant preferential loans and tax rates to rural industries and encourage peasants to go into mining mineral deposits not suitable for large scale operations and other development projects;

--and encourage transfers of new technology and skilled personnel from cities to rural areas.

The policies also allow urban technicians to reserve their old positions while they work in the countryside. All technical personnel except government officials are allowed to aid rural peasants in their spare time.

--They further call for relaxing rural financial policies, raising returns of funds, and encouraging rural credit and insurance businesses.

Local credit cooperatives will operate independently, the document says. The money they raise will be put at their disposal after they deliver a set amount of reserve funds to the Agricultural Bank of China.

--The responsibility system, which links income with output, and the household economy will remain unchanged for a long period to come, it says. Meanwhile, vigorous efforts will also be made to develop and perfect voluntary rural cooperative undertakings according to the demands of the commodity economy.

--The construction of small towns will be speeded up, and economic ties between rural and urban areas further promoted.

--The document urges the development of foreign economic relations and technical exchanges, especially by rural areas around open coastal cities and special economic zones. Border areas are encouraged to prepare for the resumption and expansion of border trade with neighboring countries.

The new policies will mark a shift from state planning to market demand in farm production, and from administrative to economic means in rural management, the document notes. It also calls on peasants and officials to adapt to the changes, and cautiously but vigorously carry out the reforms.

NATIONAL

FRESHWATER, SEAWATER AQUATIC BREEDING DEVELOPMENT

Beijing ZHONGGUO NONGMIN BAO in Chinese 25 Nov 84 p 1

[Commentary: "Fishery Development"]

[Text] Recently, the leading comrades of the Central Committee have indicated that industrial sideline production development is the fastest way to make the rural economy multiply, and the second fast way is fishery development. Some advanced models who got rich fairly fast by exploiting the water area have stated that implementing and realizing the suggestions of the said leading comrades is a strategic means of ensuring agricultural multiplication and improving the people's life.

In recent years, the national aquatic products industry has been developing. In 1984, annual aquatic output reached 5.46 million tons but this is only 10.7 jin per capita. Compared with the planting of grain, cotton, oil, etc., aquatic production is still a weak link of the national economy. This situation should and can be changed completely.

The main direction should be clear and definite in developing the aquatic products industry. At present, the major work is to develop both freshwater and seawater aquatic breeding. Our country has been able to provide 20 million mu of shallow sea and beaches and 80 million mu of inland water area for artificial breeding, areas already having been utilized accounting for 14 million mu and 54.9 mu, respectively. Since there is a big difference between high and low producers in per unit area yield, the potential for the development of artificial breeding is very great. The practices in different localities have proved that in 1 mu of beach exploited, the gain and protein obtained from the water are several times, or more than 10 times, that of 1 mu of grain field; and furthermore the investment is little, the cost is low, the result is fast and the stability is strong. (We will only concentrate on the favorable chance of having the grain, cotton and oil at present reaching the basic standard, coordinating and readjusting the rural enterprise structure, exploiting vigorously our country's rich water resources and working actively on artificial breeding. After several years of persistent work, aquatic products will inevitably increase greatly and a considerable economic result will be obtained.

The key to developing freshwater and seawater aquatic breeding is to further relax policy. A free hand must be given in developing and completing various forms of contract system; we must be persistent in letting the state, the collective and the individual work together to utilize reasonably as fast as possible the shallow seas, beaches, ponds, reservoirs, rivers, lakes, natural foamy ponds, irrigation canals and ditches and the large and small water areas of rice fields which are possible for fish breeding. It is advisable to breed whatever is possible, and whoever operates and manages will get the benefit. Special attention must be given to the exploitation and utilization of the large area of water surface. There are many water surfaces and beaches, thus if the contractor has the ability to manage, no limit for the contracting area is required. Units, regions and trades themselves must be encouraged to open up and promote the cooperative management of resources, techniques, funds and labor. The big and medium cities should concentrate on fishery just as they did for meat, poultry, eggs and milk. Now it is required to fully utilize the present water surface, and ponds for fish breeding, can be planned and dug at sites with the proper conditions.

In the development of the aquatic products industry, various kinds of service before, during and after the production must be done well; so-called "trivialities" must never be neglected. Generally speaking, if only we have the right understanding and keep in step with policies and measures, a new situation for the aquatic products industry will surely appear within 3 to 5 years.

12705

CSO: 4007/116

NATIONAL

FAVORABLE DOMESTIC TEA LEAF MARKET PREDICTED IN 1985

Beijing JINGJI RIBAO in Chinese 18 Dec 84 p 1

[Article: "Prospect of the Domestic Tea Leaf Market Trends Favorable"]

[Text] There emerged a continual conflict in the domestic production and consumption of tea output in 1982 and 1983. At present, the situation has basically improved. It is predicted that the prospect of the tea leaf market in the coming year will further improve.

Tea is the traditional beverage of our people. The market supply before 1982 had been on the tight side. Since 1982, due to blind production and development and other reasons, production exceeded demand for 2 successive years. Some of the tea varieties lay stagnant and overstocked. The State Council and the related departments of all prefectures paid close attention to this situation, adopting various measures, such as the readjustment of production, expansion of marketing channels, etc., and the market prospect gradually improved. By the end of last October, the sales of tea under the nationwide commercial system increased 4.6 percent compared with that in the same period last year. Among the increase in Hua tea, Wulong Tea, black tea and green tea were 10.5, 8.5, 4.4 and 4.2 percent, respectively. With the deduction of on-sale tea, the storage amount of declined compared with that within the same period last year. In the storehouse, the quantity of tea varieties that were not marketable decreased. At present, production and consumption have basically balanced.

According to the analysis of the tea and livestock products bureau of the commerce department, national tea consumption next year will increase steadily; particularly, there will be a considerable increase in the sales of small tea bags. All prefectures will further readjust tea varieties in light of production. At present, the supply of high-grade Hua tea is comparatively tight in the market; after June and July next year, there will be improvement in the supply. The market supply of low-grade Hua tea tends to be excessive, and the output next year will decline. The output of black tea will increase. All prefectures, in order to compete in the market, will rush their new varieties of tea to the market before others. It was predicted that next year around 1 May, the citizens of all large and medium-sized cities of north China can drink new varieties of tea.

It was suggested by the tea and livestock products bureau that in order to develop a good prospect for the tea market, all producing prefectures should

continue to readjust the production structure on the basis of market demand and to further improve the quality of tea. It is necessary to emphasize the credit of the market and to prevent the inflow of low-grade, high-priced tea onto the market. The commerce department at all levels has to further develop marketing outlets for tea and has to open up circulation channels. It is particularly necessary to develop rural markets and to increase retail outlets in market towns and rural areas so as to satisfy the needs of the vast numbers of consumers in the rural areas.

12726

CSO: 4007/176

NATIONAL

NEW DEVELOPMENTS IN MARKET DEMAND FOR FARM CHEMICALS

Beijing JINGJI RIBAO in Chinese 27 Nov 84 p 2

/Article/

/Text/ A nationwide survey indicated that the 1985-86 demand for pesticides has the following characteristics:'

Change of emphasis in pest control from grains to economic plants. The grain harvest increases every year and the free market price for it falls. Farmers are no longer willing to pay high perices for higher crop yields. Furthermore, many districts lowered their allocation of grain area by rearrangement of farming plans so the demand for pesticides for cereals became smaller. Economic plants, such as cotton, barley, flax, rape and fruits and vegetables, fetch higher prices, so that in spite of their past problems, farmers are nevertheless willing to invest in high-efficiency pesticides. Pesticide consumption for economic plants is trending higher.

Demand for chemical herbicide will be markedly increased. Because of the increase in rural purchasing power and expansion of contracted land area and advance in the technology of cultivation (e.g. film covering of the soil, etc.), chemical herbicides are becoming increasingly welcomed by peasants. Insufficient education and lack of application knowledge limited peasants to accepting only those herbicides which were effective, long lasting and easy to apply. Facing these conditions, all concerns must immediately concentrate their efforts on propagation, popularization and technical instruction about chemical herbicides. To meet these demands, early energetic development and production of a group of new and effective herbicides and improvements of the existing types are much desired.

There is a flourishing demand for highly effective mitekillers and fungicides. At present, fruit tree, tea, and vegetable crops are threatened by mites and some other common diseases. Therefore, highly effective mitekillers and fungicides are in urgent need in many agricultural regions. Research institutes and production factories must pay due attention and seek all possible ways to satisfy these demands.

Small packaging of farm chemicals is most welcome:

It is a longstanding problem that peasants welcome small packaged chemicals, but this has not been solved for many reasons. Farmers universally demand bottled liquids of 0.5 to 1 jin, and solid packages of 5 to 10 jin. All producers shall decide what kind of packaging is most suitable for different types of products, an market areas; subdivided packages must have assurance of their quality, directions for use attached and properly labeled. For liquid containers, it is desirable to have graduations on the container or the cap.

In addition the demand for family medicines, flower, grass and sapling foods and plant hormones will also show substantial growth.

12804

CSO: 4007/124

NATIONAL

HELPING FARMERS TO BUILD THEIR FOOD INDUSTRY

Beijing JINGJI RIBAO in Chinese 27 Nov 84 p 2

/Commentary/

/Text/ The growth of farm commodity production urgently calls for the close followup of the food industry. The farm land is the powerful base for the food industry; with the improvement of farmers' living standard, it is also becoming a broad market for the food industry. To develop the food-processing industry in the rural area so that products are processed on site will make use of not only space, labor and capital, but will also promote the local conversion of grains and a beneficial farming cycle. It satisfies the needs of the populace; a good thing to enrich the nation and give convenience to the people.

Farmers everywhere are enthusiastic to operate food-processing industries. Food industries are blooming in many districts all over the nation. How to give them healthy growth is the major task of the government. Special attention must be paid to guide the development of rural food industries based upon local resources and full utilization of native advantages. In addition to the primary goal of satisfying the needs of the large agricultural population, consideration should also be given to serving cities and supporting exports. By doing so, it helps to solve the raw material supply, marketing areas, etc. It also assures the continuous growth of rural industry; most of food industries there are comparatively and managerial abilities, therefore, financial returns are also lower. In consideration of the overall development of national economy, all related government offices and food industries in the city should support the rural food industries wholeheartedly, helping them to get investments, loans and technical equipment. It can be realized by adopting measures of knowledge transfer, joint sponsorship and personnel training, etc., to make rapid technological advances, so that food industries of both urban and rural areas can fly wing by wing, marching forward hand in hand and meet the ever-growing needs of foodstuff by the masses.

NATIONAL

PEASANTS MUST RUN SUPPLY, MARKETING COOPERATIVES

Beijing JINGJI RIBAO in Chinese 14 Nov 84 p 2

/Commentator: "On Supply and Marketing Cooperatives"/

/Text/ The core of the system reform of supply and marketing cooperatives is to transform from operation by the government to operation by local people. At present, the general view is that the supply and marketing cooperatives have obtained certain results in this aspect. However, some basic-level cooperatives are still in the state of changing signboards, shifting groups and persisting in old ways. They have not been really transformed into operations by local people. A practical settlement of this core problem must be made both in understanding and in practice.

The important sign of the transformation from operating by the government to operating by the local people is that the cooperative must be run by the peasant masses so that it will really be a union of peasants to become an integrated body for economic benefits. In order to let the peasants be masters of the cooperative, it is necessary to give them the freedom to become shareholders and to invest in order to transform the present fund constitution of the cooperative. To be masters without being shareholders is to be nominal masters; if the peasants are not concerned about the running of the cooperative, and their funds are so small that it is only symbolic, whether the running of cooperatives is good or bad has very little to do with the personal benefits of the peasants, it is only natural that the function of encouraging the peasants to be masters of the cooperatives cannot be achieved. If the peasants' funds are about 50 percent of the funds possessed by the cooperative, then the economic benefit of the cooperative will be more personal to the peasants and consequently the peasants must run the cooperative and become the real masters. When they attend the members' representative assembly, they will export their power to run the business of the supply and marketing cooperative as their own.

It must be emphasized that operation by local people is not "operation by the township." Operation by local people means that the peasant masses will buy shares and collect funds, with the support of the

state, to operate the cooperative as their own business. Early in the period of the Chinese Soviet Republic and during the early period after the founding of new China, it was made definite and clear that the supply and marketing cooperative was a collective economic organization funded by the rural working masses. The basic cooperative must be established in a market town or collecting and distributing center of agricultural products, that is, establishing cooperatives according to economic areas. Later, due to the ideological influence of the "left" cooperatives were established according to the administrative areas of the people's communes, and they were once the supply and marketing departments of the communes. Now we are going to restore the nature of supply and marketing cooperatives operated by local people.

Township government is the first level of basic authority, the basic cooperative is a cooperative enterprise with economic substance. If the cooperative becomes an enterprise under the operation of the township, then the old ways of establishing cooperatives according to administrative areas will come back to cause the cooperative to become a subsidiary body of the township administration with no discriminations or responsibilities between the government and the enterprise but only interference on persons, wealth and things from the administration, it will be impossible to make the most of the initiative power of the independent operation of the enterprise. The relation of the township government and the basic cooperative is the relation between the government and the economic substance. The township government should strengthen the administrative management of the basic cooperative from macrocontrol but should not operate the supply and marketing cooperatives with township administration; equalitarianism and indiscriminate transfer must not be applied to the persons, wealth and things of the supply and marketing cooperatives. Thus, the supply and marketing cooperative will become an enterprise really operated by the local people to make the most of a better function of responsibility.

12705
CSO: 4007/112

16 April 1985

NATIONAL

PROBLEMS IN CIRCULATION OF RURAL COMMODITIES

Taiyuan JINGJI WENTI [PROBLEMS IN ECONOMICS] in Chinese No 10, 20 Oct 84
pp 23-26

[Article by Zhao Shuangjun [6392 7175 6511] of the Research Institute of
Farmers Bank, Head Office]

[Text] Since the Third Plenary of the 11th CPC Central Committee, our rural economy has been getting better and better every day. Especially after the implementation of Document No 1 of 1983 and that of 1984, commodity production is developing at a rapid pace, as is the ration of sideline commodity production. But their circulation channels are still not suitable enough and improvements in the area of circulation are not following in steps, so that contradictions are very much in evidence. When circulation and production are not in harmony, the development of commodity production will suffer. For the sake of clearing the channels of circulation to enhance the development of commodity production, this paper will endeavor to give a brief outline of the situation.

I. Fully Understanding the Importance of Commodity Circulation

Our country was limited by the direction of the "left" ideology for a considerable length of time, thus commodity production was suppressed for many years, relations between productive force and production process could not grow harmoniously, producer incentive was never motivated, and the development of rural economy as a whole was very sluggish and for a long time remained in the self-supply or semi-self-supply condition. Agriculture is the foundation of our national economy and without fully developed and socialized commodity production, not only can we not modernize our agriculture, but it would even be impossible to overcome all the difficulties confronting it. Circulation of commodities is the decisive factor in the strategic task of development of the rural economy. Production dictates circulation, and circulation in turn reacts upon production. In a certain sense, it is of a decisive character and will show its prominence in the evolution and development of commodity economy.

In the first place, the various reproduction linkages in society are all indispensable constituents necessary for its existence. Circulation is not only a linkage in the production process, it is also the coordinator between

one producer and another. If there is no circulation between them, there could be no production of marketable goods. Commodities are produced to be exchanged; they have to be exported and exchanged in the market, or there will be no production at all. Karl Marx said: "Commodities are produced with the premise that they will be circulated" ("Collected Works of Marx and Engels" Vol 23 p 393). Lenin defined the same though more clearly, saying: "Commodity circulation precedes production, and it is one of the requirements for production development (but not the only requirement)" ("Collected Works of Lenin" Vol 13 p 504). Commodity exchange as the presupposition of its production conforms not only with the history of the development of commodity production by society, but also with the future of its development. Naturally, it is the process that fits into the transformation of self-sufficient production toward commodity production. Dealing with this problem, Marx said: "Product becomes commodity only when it enters into circulation" ("Collected Works of Marx and Engels" Vol 26 Sec 3 p 317). Therefore, it can be considered that circulation is the force that pushes production of goods toward commodity production, and it is also a strong pushing force to push a natural economy toward a commodity economy.

Second, according to the usual commodity economy, commodity circulation is the ultimate necessity for commodity production itself. Because "Any reproduction that is not for the producer's own need must go into circulation as marketable goods, or in other words, must be sold." ("Collected Works of Marx and Engels" Vol 24 p 229). This is to explain that in the development of commodity production, dredging of all circulatory channels is essential for the growth of production. When the production of goods is still in a primitive and simple state, the contradiction between production and consumption is not prominent in terms of either time or space, although circulation does in a way help to accelerate commodity production. But with the growth and enlargement of the scale of production, the conflict will become pronounced, the exchange site will move from a nearby place to a more distant place, and eventually to a faraway market. Thus time- and space-related conflict objectively demands a correspondingly improved linkage between production and consumption. Hence commodity circulation immediately becomes the condition for further development of commodity production. Especially under developed commodity production, the circulation method advances from the state of direct barter to the state of using money as a medium of exchange, which takes a number of buying and selling operations. Therefore in this sense, commodity circulation is to promote its production form the simple and primitive level to a higher and more developed level, an important factor to change from a backward state to an advanced and a larger-scale condition.

II. The Main Problem Now Facing the Circulation of Rural Commodities

The main problem in circulation of rural commodities now is that circulation channels are sluggish and cannot satisfy the needs of commodity production. The manifested in the following:

A. Some comrades have not been able to get rid of the "left" ideological influence. They lack the courage to reform; especially in relation to guiding

principles, and they remain in the small-producers category. Under the new circumstances, they employ, in various degrees, the old ideas, old experiences and old methods, without sufficient understanding of the importance of circulation problems. They are still emphasizing only production itself without knowing the importance of circulatory linkages. Some of them worry when they see the flourishing growth of commodity production, fearing that the growth may cause the socialized system to leave its track. Other comrades, in a way, do approve the general direction of reformation, yet due to their lack of a clear understanding of the properties of socialized commodity production, fail to adopt a positive and factual attitude to seriously investigate the area of circulation and to dredge its channels to open a new environment for commodity production. Although these contradictory opinions will not deter the reformation seriously, but they are still negative factors in the reformation of commodity circulation.

B. The irrational structure of products does not fit the change of rural needs and consumption trends. The vast community of peasants try to increase unit-area production for more reproductive ability and to induce multi-management by joint partnership of industry and agriculture, therefore they need chemical fertilizers, many kinds of farm machineries and tools, large tractors and small four-wheelers, construction materials and a number of brand-name, high-quality consumer goods. When these urgently needed industrial products are short of supply then there will be no growth of reproduction ability and no improvement of the living standard of the peasants, although some other industrial goods and rural sideline products are being blindly manufactured due to the stimulation of prices and lack of timely information about demand in the market and other developments. Products lacking in variety, inferior in quality and high in price are not welcomed by consumers; they are stockpiled in large quantities. The piling-up of one group and the selling-out of another, oversupply on one hand and insufficiency on the other, are all due to the incompatibility of production and consumption. In other words, the production structure is not rational at all.

C. The commercial system in the countryside is also having problems. Even though that we have an immense rural market, the original circulation channels are still narrow. Furthermore, being effected by the "left" ideology for a long time, undersupplied markets and poor circulatory channels have never been paid due attention and properly corrected. The original commercial system had very complicated distribution linkages; wholesale and retail had to go through many steps of authorization and allocation. Management is monopolized, the circulatory channel is unitary; too much monopolization and too stiff in control. Therefore, it is impossible to organize supply sources or to enlarge markets according to the agricultural and community demands or to induce the development of many kinds of economical enterprises.

D. Circulation facilities are backward in nature and material supply is relatively poor. After the Third Plenum, especially with the encouragement of Document No 1 of 1983 and that of 1984, the vast community of peasants acquired production incentives. The rate of agricultural and sideline

productions increased in large proportions. The overall needs of the rural population showed pronounced change and growth. But the investment in circulatory work is not enough or even too small, so that the network of business, transportation, storage management, reprocessing, packaging and retailing facilities are all in great shortage, far from being able to satisfy commodity transportation and commercial development. Therefore, rural products cannot be converted into marketable goods and, to a certain extent, this hurts the incentive of farmers to produce.

E. The rural credit system does not suit the development and circulation or rural commodity economy. Since the Third Plenum, in the countryside, commodity production and exchange have been developing daily; clients and items of credit service have been increasing; and credit business has entered a new phase. For example, the number of clients increased from the original 6 million production teams to 170 million; volume of loans has increased tremendously, and its structure has changed; complexity in processing is increasing, and terms of credit are getting more complicated. Confronting these new situations and changes, in spite of great endeavors and difficult and hard labors for rural financial work and the many bold reforms made, there are still some regulations and bylaws which do not meet practical needs, such as processing of credit authorizations are comparatively strict, and selection of clients, areas, amounts, durations, closing services, etc. do not suit the developed conditions and the needs of the clients.

III. Synthesized Treatment of Circulation Channels

A. To enlarge the circulation of commodities and to develop the production of commodities, it is necessary to make major changes in the guiding ideology and supervisory attitude. Now is the historical stage of the development of rural commodity production. Specialized individuals, specialized villages and counties and specialized cities and many kinds of new forms of joint economical ventures are being continuously developed and strengthened, moving toward the direction of further specialization. Under these conditions, we must adhere firmly to principles designated by central party leaders when they discuss reform: All old views, old methods, old frameworks that are not adaptable to the new conditions, situations and duties must be abolished, all good methods and good experiences that are adaptable to the new conditions, situations and duties must be boldly explored, adopted and propagated, truly building the ideology of commodity economics. Overall attention must be paid to the entire process of commodity production, circulation, distribution and consumption.

B. To increase circulation and to develop commodity production, production structure as well as the structure of types of commodities must be adjusted to fit the needs of the city and the countryside. In recent years, the big population of farmers have had their incomes greatly increased, therefore it causes a significant change in the nature of their consumption. To change the means of production and improve their standard of living, they need large amounts of production and construction materials; to raise living standards, they need well-known brands and high-quality daily industrial products and

large quantities of medium- and high-quality goods. Now the farmers' demands for much needed commodities is acute. Industrial products can go to the countryside only when production coincides with consumption and is welcomed by the large consumer population. Then it can truly achieve the target of supporting production as well as improving the standard of living of farmers. It is also true for sideline production of rural communities, if the products do not meet the consumers' requirements and are not recognized by society, there will be no market for them.

C. Loosening of purchasing and selling policies for rural products must be continued in order to increase the circulation and production of commodities. To organize and send industrial products that are right and saleable in the villages, set up multieconomic forms, multichanneled circulation, reduction of wholesale linkages, decension of retail networks, joint partnership between government and cooperatives, traveling exhibits and other open types of country fairs and different forms of articulate and active management forms and methods. In the meantime, commercial cooperatives and individuals should be encouraged, and permitting farmers to deal in lawful business, and providing convenience for them to bring rural and sideline products into the city. Large and medium cities should run farmers' fairs, and in the meantime build exchange centers for rural and sideline commodities; take all possible steps to enlarge the market for rural products and help specialized and part-time individuals or families to serve as a supplementary force to enhance the circulation of rural commodities.

D. It is necessary to strengthen circulation facility for commodities, to improve and insure the supply of raw materials and to provide good social service in order to enlarge commodity circulation and production. The one-sided investment of material production but neglect of investment in circulation of the past should be a serious lesson. The development of rural commodity production induced the division of labor and division of trade. The more subdivision of labor in society, the stronger the dependence upon the society. Therefore, it needs not only unimpeded channels of circulation but it also badly needs a strong system of communication and transportation, storage and its management, primary product manufacturing, technical service, information consultation, social insurance and other services. With available credit still tight at present, it must motivate sources and incentives from every direction, using various forms, going through different channels of supplies to render corresponding enlargement and improvement of conditions for circulation and material supply for commodities.

E. To enlarge commodity circulation and develop commodity production, the rural financial structure must suit the needs of the developing conditions.

(1) Liberalize credit policy, and enlarge the scope of service, a reasonable increase of short-term credit loans for rural equipmetn, reduce the power of authorization to allow construction of some local cold-storage facilities, addition of some equipment for reprocessing of rural and sideline products to upgrade their values, purchasing of transportation tools, and multi-functioning of transportation tools for the transportation network.

(2) Properly simplifying the credit limitations for individual and cooperative units. For those units that are dealing with specialized or freelancing business activities, amount of loan limits should be increased, credit periods lengthened, the former limitation on loans only for liquid cash capitals changed to permit the purchase of equipment and transportation materials, so long as the loan can be repaid on time. It is important to encourage them to increase the scope and number of items of their business.

(3) For investment in the construction of small villages, credits should be adequately increased. Because small villages in the countryside are the chief centers for business as well as for rural politics, economics and cultural activities. Therefore, it is important to supply capital for starting businesses for not only preliminary processing of agricultural and sideline products, restaurants and hotels, but also for scientific, technological, cultural and amusement projects, i.e., S&T stations, cinemas and cultural palaces, as long as the return of the loans are assured.

(4) In order to provide convenience for customers, methods of settling accounts should be modified. To meet the change in city and rural markets, and the continuous increase of commodity circulation, bookkeeping and accounts settlement must be simplified as much as possible. This means convenience for the mass, improvement in efficiency, expediting the transfer of paperwork and acceleration of capital circulation. They demand the improvement of accounting systems in banks, loosening of limitations on settlement, and reinforcement of cash control, relentlessly trying out many forms of account transfer and account settlement. Furthermore, for the increase of commodity circulation and development of commodity production, there is yet another very important item--the pricing structure. An unreasonable pricing structure has become a hindrance to the development of commodities. For example, when grain prices are comparatively low, and the materials for their production get more expensive, many a farmer will be unwilling to plant grains, or otherwise engage in extensive cultivation. Also, when some of agriculture and sideline products have irrational or small differences in purchasing and selling prices, commercial departments decline to make purchases, industrial departments refuse to process, so that the producer cannot find a market and the consumer cannot buy the processed final product. Every year the 200 to 300 million yuan in subsidies given by the government have resulted only in general discontent of the producer, the manager and the consumer. Pricing structure is a very complicated and widely entangled problem. For the present, enforcement of planned price control, with some deregulation of certain commodities, especially some minor items, gradual adjustment of the price ratio and price difference of commodities, in order that the price structure can play the role of regulating demand and supply, stimulate production and guide consumption.

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NATIONAL

NEW TOWNSHIP ENTERPRISE EXPERIENCES DISCUSSED

Beijing ZHONGGUO XIANGZHENQIYE BAO in Chinese 12 Nov 84 p 1

[Article: "Bureau of Township Enterprises of the Ministry of Agriculture, Animal Husbandry, and Fishery Publishes Summary of Conditions in 1983's 100-Million-Yuan Counties, Summarizing Major Experiences in Initiation of the New Phase in Township Enterprises"]

[Text] The Bureau of Township Enterprises of the Ministry of Agriculture, Animal Husbandry, and Fishery recently wrote a special article for this newspaper, entitled "A Summary of the Conditions in Counties in Which the Gross Income of Township Enterprises Exceeded 100 Million Yuan," summarizing 6 major experiences in the initiation of the new phase of township enterprises. Here we will publish excerpts from the "Summary," as follows:

Under the guidance of a series of general and specific policies that have arisen since the 3d Plenum of the 11th Central Committee of the CPC, China's township enterprises have achieved rapid growth. By 1983 there were 209 counties nationwide which had gross incomes exceeding 100 million yuan. Of these, 19 counties surpassed 500 million yuan, and Wuxi County in Jiangsu occupied first place nationally, reaching 1.28 billion yuan.

Although these counties that had gross incomes of over 100 million yuan amount to only 8.5 percent of the county-level units in China, their gross incomes, gross output values, realized profits, taxes paid and other major economic indicators amount to over half of the national total. By comparison with the average levels of the various economic indicators for every other county in China, the fixtures for those counties with gross incomes exceeding 100 million yuan are higher by a wide margin. For example, the number of individual enterprises is 3.7 times higher; the number of people engaged is 6.1 times higher, representing thrice the proportion of the labor force; gross income is 5.3 times higher, representing a 93.4 percent higher proportion of the gross income of the rural collective economy; industrial gross output value is 7.3 times higher; realized profit is 7.6 times higher; taxes paid are 3.4 times higher, representing a 7.2 times higher proportion of county revenues; funds used to support agricultural production, collective welfare projects, peasant allocations and other construction areas are 33 times, 13.8 times, 6.2 times and 2.1 times higher, respectively; per capita income from township enterprises and the proportion which that represents of overall per capita income are 8.7 times and 4.7 times higher, respectively. A few major points summarize experiences:

Suit Measure to Local Conditions, Bring Advantages into Play

The counties with gross incomes over 100 million yuan are dispersed over 19 provinces and municipalities. Although their various conditions and circumstances diverge greatly, based on their own practical circumstances they are all able to draw upon their strong points while avoiding their shortcomings, to include toward benefits while escaping harm, to use their own advantageous conditions and to develop township enterprises.

Counties (districts) in city suburbs make use of their proximity to the cities, their convenient transportation, the many large state enterprises within their borders, the many scientific research units, their vast urban/rural market and other advantages. They rely upon the cities, base themselves on the natural resources of that area and use the possessions of the countryside to supply the needs of the cities. For example, Changping County, situated on the outskirts of Beijing, vigorously developed its building materials industry based on the rick sand and stone resources within the county. In the past few years, the production of coarse sand in this county has represented 50 percent of the sand used in construction in the capital, and the production of radiators has represented more than 40 percent of the number used throughout the city. In Nanjiao District of Tianjin, of the 520 products produced by township enterprises in 1983, 90 percent were products processed by and necessary to municipal industrial, commercial, foreign trade or other units.

Counties in mountainous districts make use of advantageous bountiful mining resources and vigorously develop mining and product-processing industries. For example, in 1983 the gross output of collieries in Pingding County, Shanxi, was 2.9 million tons, and the value of output was more than 64 million yuan, representing 58 percent of the gross value of agricultural and industrial output for the county overall.

Counties that are in the home territories of overseas Chinese or adjacent to Hong Kong or Macao base themselves on exceptionally advantageous social economic or geographical conditions and enthusiastically import foreign exchange and vigorously develop jointly managed and "three comes, one compensate" enterprises. In 1983, Hua County in Guangdong successively developed 155 projects to process incoming grain, assemble incoming parts and manufacture incoming patterns, for which the year's income represented 10.2 percent of the gross township enterprise income for the entire county.

Stimulate Enterprise Operation, Set Up an Information Network

In order to understand and get a grasp on all kinds of information in a timely fashion, counties with gross incomes of over 100 million yuan dispatch their own supply and marketing personnel all over the country to penetrate the various cities and the vast countryside. These are not merely product salesmen, more importantly they are information and intelligence personnel. Each such county has an average of 3,000 supply and marketing personnel distributed all over the country, and the counties with the

largest numbers of them have several tens of thousands. These personnel, through such means as setting up "windows" and running marketing exhibitions nationwide, keep abreast of all sorts of information at the same time as they develop supply and marketing work. For example, in 1983 Fengxian County in Shanghai successively ran 49 marketing exhibitions and set up 67 "windows" nationwide.

In order to launch information work on a more extensive scale, many enterprises in counties with gross incomes of over 100 million yuan have also established rewards for information, encouraging staff and workers and all persons desiring to provide information in those enterprises to be of service to the enterprise.

Import from Many Areas, Accelerate Intelligence Development

In order to exploit new techniques and products, these counties have adopted means of importing from many areas. One of these is the import of capital. At the same time as they absorb the idle capital of their own localities and they import capital from outside areas and abroad, they are importing advanced equipment through various channels. In 1983, Nanhai County in Guangdong successively imported more than 25,000 pieces of equipment, valued at over 20 million dollars, and greatly raised the competitive, contingency and feedback capabilities of enterprises. A second means is the import of products. Primarily through contacts with institutions of higher learning, scientific research units and large urban enterprises, the responsibility for trial-manufacturing new products devolves on the counties and they receive the fruits of scientific research. In 1983 each county with a gross income of over 100 million yuan brought in an average of 134 new products. In this way, they can achieve production of first-generation products, storage of second-generation products and trial-manufacture of third-generation products. A third means is the import of new techniques. By purchasing patents, counties bring in relatively advanced techniques and equipment from outside areas and from abroad for their own use. In 1983, each such county brought in an average of 62 new techniques, increasing the number of assembly lines producing new products by 18. A fourth means is the import of skilled people. This is done primarily through use of high pay to attract applications and bring in all sorts of skilled and talented people. In 1983, each such county engaged an average of 280 specialists, instructors, engineers, technicians and experienced workers.

These counties also accelerated the training of skilled people by inviting people in, dispatching people out and conducting their own training. In 1983 counties with gross incomes of over 100 million yuan sent 28,000 personnel out to large specialized schools and research units to pursue advanced studies, an average of 134 per county. Through various channels, these counties also trained a group of engineers and technicians that according to preliminary statistics numbered approximately 150,000-plus. Some counties also began to operate training center and specialized technological schools to develop township enterprise personnel.

Enhance Economic and Technical Cooperation

Through economic and technical cooperation, joint-capital plant operation, supplementary trade and other means, counties that had gross incomes of more than 100 million yuan transferred or exported their own accumulated experience, technology and funding to regions that are economically undeveloped but rich in natural resources. For example, Wuchang County in Jiangsu provided the equivalent of 60 million yuan to 7 provinces and autonomous regions, including Nei Monggol and Shanxi, in the form of funds, equipment, technology and skilled personnel, thus both helping the poor and promoting the more fortunate.

Use Keen Ideas in Reform, Be Bold in Blazing New Trails

Counties that have gross incomes of over 100 million yuan have conscientiously implemented the "eight-character policy" formulated by the central authorities, and have carried out bold reforms in township enterprises.

1. They comprehensively practice "one contract, three reforms," and enormously arouse initiative in all areas.
2. They transform "operation by the government" into operation by the people." There are primarily two kinds of concrete practices in counties that have gross incomes of more than 100 million yuan: one is to take stock of the existing fixed assets, circulating funds and other property of the township enterprise and then issue shares to villages, laborers or people based on their investment at the time the factory was set up or on the labor accumulation after the factory was set up, and to divide bonuses based on shares. The second practice is to use industry to help agriculture, taking a portion of the township enterprise profits to subsidize agriculture, ensuring that the incomes of commune personnel engaged in industry in agriculture are essentially equal, stabilizing agricultural labor and promoting the simultaneous development of industry and agriculture.
3. They smash the traditional viewpoint and use talented people boldly. In accordance with the demands of the cadres' "four modernizations," some vow to choose a group that is in the prime of life, has professional knowledge and are bold in making reforms and blazing new trails, and thus replenish the leading body of township enterprise at all levels.

Reach a Common Understanding, Strengthen Leadership

The county party committees and county governments of these counties that have gross incomes of more than 100 million yuan have all made the development of township enterprises the major order of the day and have formulated concrete policies based on the actual local circumstances. They have also required that all county departments simplify politics and liberalize rights with respect to township enterprises, and support and make allowances for them in credit, materials, tax collection and other areas.

All the counties that have gross incomes of more than 100 million yuan not only have sound leadership and administrative organization, they have also allocated a group of cadres that conform to the "four modernizations." Each year they convene many meetings to study and arrange township enterprise work. In the past few years, the county party committee and the county government of Nanhai County in Guangdong have at the end of each year organized the leading cadres of every county department and every township so that the secretary of the county party committee and the county head could take the lead in giving commendations and encouragement to villages in which township enterprises had grown rather rapidly. This is done so that the more advanced can bring along the less advanced and to enable the villages in which township enterprise has developed slowly to catch up.

In addition, these counties gladly welcome graduates of colleges and universities and people with special skills to work for township enterprises. Living stipends and wages are both excellent. They also mobilize forces in all areas and organize comrades in planning committees, economic committees, finance and taxes, banking, commercial administration, materials and other relevant departments to fix times for studying problems that persist in township enterprise development and resolving the difficulties.

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PRICING OF AGRICULTURAL PRODUCTS EXAMINED

Jinan JINAN XUEBAO [JINAN UNIVERSITY JOURNAL] in Chinese No 3, 1984 pp 3-11

[Article by Chen Zhaobin [7115 5128 2430]: "Theoretical Issues Regarding Current Pricing of Agricultural Products"]

[Text] The rural economy is currently in a new period of historical transition. Thoroughgoing implementation in the countryside of the joint production responsibility system and a series of policies after the Third Plenum of the CPC Central Committee to stimulate the economy have greatly accelerated commodity production in agriculture. There have been extensive increases in production of farm sideline products; the diversified economy is becoming increasingly prosperous; the whole of agricultural production is beginning to shift to commodity production; the commodity rate for agricultural products has increased appreciably in the last few years; there has been a large savings in labor expended in agricultural production; economic benefits from agriculture have increased greatly. Under this new situation, we must consider a series of new circumstances and new issues with respect to the agricultural product pricing movement. For example, under the premise of implementing the principle of "relying mainly on a planned economy while making regulation by the market mechanism subsidiary," providing for what brings into play and strengthens the subsidiary role of regulation through the market, enables the pricing mechanism to more effectively advance coordinated development of agricultural production and promote excellent circumstances in the rural economy, as well as what deals with the questions of price parity for agricultural products and the industrial and agricultural product price scissors all are new tasks of great significance.

This article presents the author's views regarding several important related theoretical issues.

A. The Issue of the Relationship Between a Planned Economy and Regulation Through the Market With Respect to the Role of Prices and the Pricing Mechanism

This is a somewhat prominent issue at present which must be looked into and resolved on the theoretical plane.

Prices take many forms for the numerous administrative levels in the pricing of agricultural products, such as the list price, above-quota price, floating price, negotiated price and market price. A noteworthy trend in agricultural product prices at present is that the proportion of above-quota prices, negotiated prices and market prices is increasing and the proportion of list prices is being cut back. Does this run significantly counter to the principle of "relying mainly on a planned economy while making regulation by the market mechanism subsidiary?" Or does it signify a weakening of the planned economy? This is a fundamental theoretical question the parameters of which need to be clearly recognized.

First, with respect to the relationship between a planned economy and regulation through the market, we must clarify one fundamental point, and that is that what we speak of as regulation through the market is not a notion which is the antithesis of a planned economy; neither can it be understood as another economy-regulating mechanism outside the planned economy. Rather, in essence it is an essential subordinate component of the planned economy and serves to supplement economic management in China.

Since the Third Plenum of the 11th CPC Central Committee, the essential role of regulation through the market has been confirmed. The "Historical Resolution" of the Sixth Plenum makes a further clarification by proposing the following: "Implement a planned economy based on the socialist system of public ownership while simultaneously bringing into play the subsidiary role of regulation by the market mechanism." Comrade Hu Yaobang expounded on this in a report to the 12th CPC Congress: "Planned production and circulation is the principal part of China's national economy; at the same time, it is permissible not to plan for the production and circulation of a portion of the goods. These can be regulated through the market." This regulation through the market is where we, "based on the specific circumstances of different time frames, delimit a specified scope in the unified state plan and spontaneously effect regulation from the law of value. This portion is supplemental to planned production and circulation, and is subordinate and secondary to it; however, it is also necessary and beneficial." In fact, this has already clearly stated the essential internal relation that a planned economy is primary and regulation by the market mechanism secondary.

Since regulation through the market is a necessary and beneficial form provided for in the unified plan, naturally we should not see it as a "this at the expense of that" relationship diametrically opposed to a planned economy.

A question which needs to be further expounded upon is this: Since the market's regulative role is a spontaneous adjustment from the law of value and is unplanned, why should we regard it as subordinate to the planned economy?

First, the scope of the market-regulated portion is fixed by the state plan and is not arbitrary. "Unplanned" means only that planned quotas are not set; it does not imply that it is divorced from the direction and control of the plan. Therefore, regulation by the market cannot be understood as a market economy in the capitalist sense. Precisely because it plays its role under the direction and control of the state plan is it necessary and beneficial.

Secondly, the spontaneous regulation of the law of value as stated here is a spontaneous adjustment made useful under planned direction and control. Practice proves that effecting spontaneous regulation may play a positive role in developing that which is of benefit to the socialist economy. That is to say, on the issue of the role of the law of value, it may take two forms: one is the conscious use of the law of value, for example, consciously regulating the production and circulation of goods after adoption of the state plan on pricing; the other is the spontaneous role of the law of value within the fixed scope of the plan, regulating by the market mechanism a portion of the goods by giving play to its subsidiary role in the planned economy.

Of course, the complimentary relationship mentioned above is predicated on maintaining planned guidance as essential. We cannot break away from the planned course in order to emphasize and develop regulation by the market, otherwise it will become a blind action unable to play a necessary and beneficial role. For example, in agriculture the seeded acreage of some economic crops has been expanded unchecked, some farm products are sold at high prices, thus affecting state procurement assignments, and negotiated price activity blindly drives up prices; all this illustrates the need to enhance planned guidance, for only in this way will regulation by the market play its normal subsidiary role and will we be able to ensure coordinated development of the national economy. On the other hand, we also need to affirm that the blind action potentially produced in regulation by the market will be controllable and directed, rather than rejecting the necessity of the subsidiary role of regulation by the market itself because of the appearance of certain negative phenomena. It goes without saying that in state procurement of agricultural products, we should not regard an increase in the population of the market-regulated part as a weakening of the planned economy.

What needs further discussion is, when the proportion of purchases at negotiated prices and market prices exceeds the proportion of state and assigned procurement, does this signify that the principle of "relying mainly on a planned economy and making regulation by the market mechanism subsidiary" has been violated?

This should be specifically analyzed in terms of both the national economy as a whole and the principle of planned management of agricultural products. Primary and secondary relations between the planned economy and regulation by the market cannot be delineated merely by a certain percentage.

Speaking in terms of the national economy as a whole, the chief form of implementing the planned economy is directed, planned management. Its scope includes industry, agriculture, capital construction, transportation and communications, pricing, foreign trade, technology imports, finance and credit, foreign exchange and labor wages. In agriculture, it includes planning for state procurement of important farm sideline products and transferring them into or out of an area. Guidance-style planning provides direct control over major goods produced by state-run enterprises which impact on the national economy and the people's standard of living, and over important farm sideline products produced in the collective economy. Directed planning controls key products, which is to have in hand the important elements of the overall economy; therefore we

cannot regulate everything by the market or adopt free pricing for everything. To say we can deviate from the restrictions of directed planning and still maintain a planned economy is so much idle talk. For example, if there were no centralized or assigned procurement of grain, cotton and edible oils, or a guaranteed list price and rationing, it would be difficult to ensure stability of the people's standard of living. This was precisely what Comrade Hu Yaobang meant when he pointed out in a report to the 12th CPC Congress that "in an economy of collective ownership we should assign some directed quotas based on needs, such as centralized and assigned procurement of grain and important farm sideline products." Therefore it is necessary to implement and fulfill centralized and assigned procurement responsibilities.

Of course, directed planning is mainly suited to the state need to exercise a certain measure of control, but it is not the case that the more extensive the control the better. The production and circulation of the many commodities cannot originate from directed planning without exception; for some we may implement directed planning, for others regulation by the market. In pricing, in addition to the state standard list price, we may employ the fluctuating price, negotiated price and market price. Each has a beneficial role to play.

Planned management of farm sideline products is chiefly based on the principle of the degree of importance of a certain product, and we should exercise strict control over those which need to be controlled and let go of the others. Many secondary farm sideline products could be completely regulated by the market. Even some centralized and assigned procurement products, after purchase responsibilities have been fulfilled, may be sold at negotiated prices or offered for sale at the markets. It is mainly in this way that we determine whether or not the planned assignment has been fulfilled as well as the need for the state to control the goods; for example, some centralized procurement goods cannot enter the markets. Therefore, with respect to agricultural product marketing activity, adhering to primary reliance on a planned economy chiefly resides in the persistent realization of state plan responsibilities (including the plans for centralized and assigned procurement and transfers in and out of an area) and control of major commodities, and while the ability to control regulation by the market may produce negative effects, it is not relying on percentages to delineate the parameters of "relying mainly on a planned economy while making regulation by the market mechanism subsidiary."

The proportion of agricultural product marketing activity at negotiated prices and market prices has greatly increased, which reflects the new market trend as a result of an enlivened economy and development of agricultural production. The market-regulated portion is adapted to the demands of the peasants to sell that part of increased production of commodities that is their own and helps them to successfully realize the value of their own products; thus it is conducive to further promoting agricultural production.

We could take as an example Guangdong Province, which had a comparatively high proportion of purchases at negotiated prices and market prices. Of total purchases of agricultural products in Guangdong, the proportion at negotiated purchases rose from 16.7 percent in 1979 to 34.2 percent in 1980, 44.6 percent in

1981 and 45.5 percent in 1982. This increase is due to increases in production of farm goods while centralized and assigned procurement base figures have not changed or have been lowered and the corresponding portion of production increases were offered for sale at negotiated prices and market prices, thus increasing the proportion of purchases at those prices.

Looking at the general trend of prices for agricultural products, the increased proportion of purchases at negotiated and market prices give the appearance of an overall rise in the level of prices. But what we need to distinguish here is that while the increased proportion of negotiated and market price purchases caused a rise in overall price levels, this does not imply that the levels of negotiated and market prices themselves are increasing. It is quite possible that the situation is one where the proportion increased and the overall price level rose despite including negotiated and market prices which dropped because of increases in commodity supply. The proportion of agricultural products purchased at negotiated and market prices in Guangdong increased appreciably from 1977 to 1982. Negotiated price and market price levels, however, tended to drop. The rise and fall in market trade prices is shown in the following table:

<u>Type of Product</u>	<u>1982 vs 1977</u> <u>(in %)</u>	<u>Type of Product</u>	<u>1982 vs 1977</u> <u>(in %)</u>
Paddy rice	- 32	Chicken eggs	+ 10.6
Husked rice	- 32	Young geese	+ 13.5
Peanuts	- 37	Pond fish	+ 20.6
Peanut oil	- 40	Young ducks	+ 15.1
Pork	- 26.9	Fowls	+ 18.5
Beef	+ 14.6	Average	- 9.4

In explanation of the above, there was a large drop in the market trade price of major agricultural products. Although there was a rise for some other products, it did not affect the drop in the overall level of market prices; moreover, these products also tended to drop in 1983. According to statistics on 23 commodities at 23 markets in Guangdong Province, for the third quarter of 1983 compared to the same period of 1982, 8 commodities rose in price, 15 commodities dropped, the overall level dropped 1.9 percent and the disparity between the list price and the market price dropped from 90 percent in 1982 to 70.8 percent in 1983. Among the commodities with a lower price, husked rice and paddy rice fell 12.4 percent and 13.6 percent, respectively, sugar fell to around the list price, aquatic products fell 15 percent, and the drop in fruits ranged from 8 to 23 percent. These data make it clear that although regulation by the market played an extensive role, this does not imply that there will necessarily be higher prices for all commodities for which market regulation is implemented. When regulating by the market mechanism, it is possible at the beginning that the prices of certain commodities will be higher than expected due to the supply and demand contradiction; however, the rise in prices may lead the producers to increase production and greatly add to market supplies, thus causing a drop in prices. In Guangdong, for the most part products like fruit and pond fish have experienced this law of price rise

and fall process and not only have prices stabilized tending lower, market supplies tend to be plentiful as well, ensuring the people their needs. For example, 1.63 tons of fish went on the market in Guangzhou City in 1978, reaching 3.43 tons in 1983. When the restriction was lifted, the market price for No 1 grass carp was 2.5 yuan per jin; now it has fallen to just over 1 yuan per jin and the product is in plentiful supply as well.

In summary, there are all kinds of farm sideline products of differing importance to the national economy and the people's standard of living, and thus we need to adopt different forms of planned management. Important products which affect the national economy and the people's standard of living must be directly controlled by the state through issuing quota directives and formulating centralized and assigned procurement tasks. For even this portion of products though, some may be sold through negotiated purchases or offered for sale on the markets after assignments have been fulfilled. As for the numerous secondary products, we should widely employ the market's regulative role and, under planned direction, carry out spontaneous adjustment through the law of value to enliven the commodity economy in the countryside and balance market supply and demand. In the overall marketing of agricultural products, it is possible that there will emerge a situation where the proportion of purchases at negotiated prices and market prices will exceed purchases at the list price, but if the state controls the major products and at the same time can control the blindness which might occur in regulation by the market, then the complementary relation between the planned economy and market regulation could still be given valid expression. Therefore, with commodity production in agriculture flourishing, we can estimate that the market regulated portion may increase further but we do not need to worry about this course. For example, in Foshan City, Guangdong Province, assigned procurement tasks for pond fish originally amounted to more than 70 percent of gross output. After the Third Plenum of the CPC Central Committee, in addition to [establishing] base counties, [the fish] were changed to Class III products, there was a large increase in output per mu, and although the proportion of the market-regulated portion was greatly expanded, assigned procurement tasks were fulfilled year after year and market supplies were vastly increased, and this in itself was good. What we need to emphasize at present is that we should summarize our experience, and study and perfect various avenues for planned guidance based on the different characteristics of specific commodities in order to further develop the subsidiary role of regulation by the market.

B. The Issue of Rational and Favorable Price Parity Among Agricultural Products

Price parity among agricultural products directly affects balanced, proportionate production of agricultural products and the labor earnings of producers of different crops. Rational price parity of agricultural products must be able to ensure that the earnings rates among the various agricultural products are for the most part nearly identical.

The price levels for various farm products in China have seen rather large changes due to the many price adjustments since the founding of the PRC; moreover, shortcomings in work have led to many irrational circumstances in price relations among agricultural products and thus have impaired the coordinated

development of various crops. Farmers of different crops have experienced different degrees of good times and hard times with respect to earnings. We must resolve this problem by making the irrational prices more rational and agreeable. This should be an urgent task of the present.

We should investigate two factors with regard to prices in the irrational parity relations among agricultural products: one is the "now too high, now too low" nature of the state purchase price itself; the other is external to the state purchase price, including as well the differences in hardship and good times created by the above-quota price and awards for sales.

With regard to the great disparity in earnings brought about by irrational price relations in state procurement, data from a representative 1981 survey indicates that earnings levels for grain producers were on the low side, ton per mu earnings for oil-bearing crops surpassed grain by more than one-fold and cash crops such as cotton surpassed grain by two-fold to six-fold. At the same time, there was great disparity in earnings among the cereal crops themselves.

Due to the state's implementing the policy of "fixed base figures, above-quota price" for products such as grain, cotton and edible oil, the added price is 50 percent for the excess purchase portion; aside from this, there are also various additional awards and subsidies that go with state procurement of agricultural products; moreover, there are provisions for earnings from sales at negotiated prices and market prices, so in fact there are great differences in earnings from different crops. According to estimates, ton per mu earnings for six types of grain crops at real prices are 3.78 yuan more than at the state purchase price, three types of oil-bearing crops are 12.20 yuan more and eight types of cash crops 18.81 yuan more. According to data on Hebei Province, the mu,ton earnings for grain, edible oil and cotton were increased 47.7 percent, 60.6 percent and 60.2 percent, respectively, from the above-quota price alone.

Based on preliminary calculations from a 1982 survey of agricultural product costs in Guangdong Province, the following table, which is composed of a summary of list prices, above-quota prices, government-subsidized prices, negotiated prices, awards goods price differentials and market trade prices, shows the differences in daily earnings per labor unit for various crops:

<u>Crop</u>	<u>Daily Earnings Per Labor Unit (yuan)</u>	<u>Crop</u>	<u>Daily Earnings Per Labor Unit (yuan)</u>
Paddy Rice	1.61	Silkworm Cocoons	1.78
Peanuts	3.74	Lumber	1.75
Sugarcane	5.17	Bananas	9.76
Pond Fish	4.55	Oranges	4.92
Tobacco	3.98	Tea Leaves	2.08
Jute	2.23	Live Hogs	2.75

The great disparity in earnings is chiefly due to irrational price parity among agricultural products. If this problem is not settled satisfactorily it could bring damaging influences to the rational distribution of agricultural production.

The problem of parity in farm products is solved mainly through contrasting ton per mu earnings or daily labor value and coordinating them. We cannot only view it in terms of historical price differences or in-kind exchange. In analyzing the relation between farm product prices and value we must fully appraise the new changes produced by various component factors in agricultural product costs and take the labor expenditure under present production conditions as the foundation of fixed rational price parity; historical data can only be used for reference. For example, the amount of grain exchanged per jin of ginned cotton was reduced from 13.22 in 1952 to 8.65 jin in 1965 to 8.17 jin in 1981 and by looking at the exchange ratio it appears that cotton prices are tending lower; however, in terms of real earnings the income of cotton growers is much higher than that of grain producers. If figured on the basis of ton per mu earnings, cotton earnings are equal to 2.8 to 4.3 times grain earnings. Grain and cotton product costs need to be specifically analyzed and a plan for correct adjustment of grain and cotton price differences needs to be determined to ensure a rise in the earnings of grain producers.

Irrational price differences must be straightened out and this is a complicated task. We must comprehensively consider the various factors which influence price levels and progressively institute a rectification and readjustment. We should first rectify external factors which affect earnings and check up on such things as state assigned procurement base figures, above-quota prices, awards for sales and subsidized prices.

We must totally rectify base figures for state procurement of agricultural products. In the last few years the base figures have generally been on the low side, and there have been large increases in above-quota prices. Some areas have arbitrarily lowered base figures while other areas have arbitrarily expanded the scope of added prices; added prices or subsidized prices have also been implemented for nonedible oils, tea leaves and sugar. Therefore, we ought to even up base figures which are "now too high, now too low" and add base figure provisions to those areas where there are none so as to change the situation where base figures being out of control brings about price rises in disguised form. This is an important aspect of lessening irrational price differences.

We should also strengthen measures to control the inordinate number of products with above-quota prices and reduce price levels appropriately; we cannot do as we have in the past, where it seems farm product prices in general could only be raised and could not be lowered. In 1982, we implemented a reversed 4-6 [ratio] state purchase price and above-quota price for rapeseed as a method to put a cap on the average price and planned state purchase price. What this actually did was to reduce by about 20 percent the excessively high state purchase price level for rapeseed. It was essential that we do this.

The scope of the system of awards for sales in state procurement of farm products is at present excessively broad and the awards too numerous. We also need to rectify this confusing aspect of the situation. For example, there are more than 210 varieties of grain awards, an excessively large increase. Therefore, we should check up on this and reduce the scope of awards for sales; moreover, for all those for which the awards-for-sales approach is not indicated, we should as much as possible adopt the single-price approach to avoid using the awards as a covert raise in price. On the contrary, it hinders normal utilization of the price lever. For example, for flue-cured tobacco, in addition to a large increase in the state procurement price, we also increased grain awards, fertilizer awards and cheap coal, which greatly expanded the differences in grain and tobacco earnings. We must appropriately check up on and rectify such situations.

To satisfactorily solve the confusing and runaway problem of external factors which influence farm product price levels we should also further adjust in a planned manner excessively high or low state procurement price provisions; in particular, we should promptly adjust prices upward where the earnings rate is obviously on the low side, enabling us to maintain earnings rates which are comparable, on the whole, among the various classes of agricultural products and within each class.

Of course what needs to be noted here is that when investigating the great disparity in earnings, we must study factors related to administration and management in addition to paying attention to price factors. We must not only carry out a careful analysis of the various value components of different products, we should also carry out a contrastive analysis of the different earnings for the same product under different conditions so as to correctly diagnose the key reasons and thus fix the direction and methods for price readjustment. For example, this is similar to silkworm cocoon production: in Guangdong the earnings from this are the lowest among the various classes of crops, as opposed to Jiangsu, where the earnings are quite high. In terms of natural conditions, Guangdong is not inferior to Jiangsu; we need to carry out thoroughgoing research and analysis with respect to prices and administration and management levels. If it is subjective and the difference in earnings is a result of administration and management, we must concentrate on searching for the relevant reasons and raise the administrative and management level for this product rather than simply depending on the method of raising the state purchase price.

In essence, adjusting parity is a problem of satisfactorily dealing with the relation between farm product prices and value. The main thing is to eliminate certain irregular deviations between farm product prices and value so as to abolish two detrimental aspects; one is somewhat high prices which conceal bad administration and management and give rise to irrational, excessively high earnings, and the other is low prices which discourage the producers of the products in question. To straighten out price differences among farm products we must rectify irrationally high or low prices as well as undertake a thorough analysis of the factors involved in the great disparity in earnings; in the realm of production we must concentrate efforts on solving the problem of waste

in labor expenditure brought about by bad administration and management in order to more effectively promote agricultural production and bring about rational utilization of land and rational distribution of the total agricultural labor force as well as raise economic earnings in agriculture to the greatest extent possible.

C. Further Discussion of the Price Scissors Question

While the price scissors question has given rise to many discussions for a number of years now, some fundamental issues still need to be posed and discussed.

The question of the theoretical basis for the presence of the price scissors under China's socialist conditions is a fundamental question which needs to be thoroughly considered and deliberated anew.

Several different views surfaced in past discussions. One view held that after liberation the price scissors was still present but that it was of a different nature than in the old society. The new China mainly inherited backward productive forces and thus could not but inherit the scissors differential, but the exploitive nature of the price scissors was abolished.

Another view held that the scissors differential is the inevitable result of disparities in labor productivity between industry and agriculture is lower than in industry there is a scissors movement of prices; only when labor productivity in agriculture increases more quickly relative to industry will we eliminate the scissors differential.

Yet another view held that the price scissors is differing price exchange ratios brought about under conditions of price monopoly; if there is price monopoly of agricultural and industrial products, conditions are present for a scissors differential. Under capitalist conditions, price monopoly robs the peasants, while under socialist conditions the proletarian state proceeds from the interests of all the people; the peasants are required to furnish a portion of accumulation through planned monopoly pricing.

All the above views have made a distinction between the presence of the price scissors and the nature of the price scissors under different social conditions. Another common point is that they all confirmed that the scissors differential exists under socialist conditions; the difference is that some emphasized its objective necessity and protracted nature, while others held that it is only present for a given period of time.

The scissors differential itself is, in fact, a specific economic category, and the presence of the price scissors cannot be separated from its nature. To say that the scissors differential has been transplanted into the socialist economy or that the socialist state maintains the scissors differential through planned pricing to realize certain requirements is illogical and inconsistent with reality.

The issue of a scissors differential under socialistic conditions was originally proposed by Stalin in the early 1920's and aimed at the specific situation in the USSR at that time. Stalin mainly expressed the price scissors issue in the following sense: 1) In terms of costs, the price was high for industrial products offered for sale and low for agricultural goods; this difference caused the peasants to suffer (see "The Collected Works of Stalin," Vol 10, p 195). 2) This getting only a little money when selling and expending a lot when buying "is paying a kind of surtax." Again, "we also call it the scissors differential" (Ibid, Vol 12, p 45).

We should note that what Stalin spoke of as the scissors differential was mainly a sketchy generalization based on differences in price factors. Even if costs are brought in, it still does not touch upon differences in labor productivity or get to the many questions of comparative value differences; he only brought up the question of the peasants' suffering with respect to prices in exchange ratios. His epitomizing the exchange at unequal value brought about by the price differences of the time as a "surtax" or "scissors differential" was based on specific production phenomena at that time in the USSR and had a concrete setting. This in no way expounds the general objective necessity of a scissors differential under socialist conditions; neither does it imply that the peasants will pay this "surtax" over the long term.

In some of our research works, the concept of the "scissors differential" which was advanced by Stalin under the specific conditions of the time has solidified and become universal, as if the price scissors must necessarily be present in socialist economies in general. Some comrades even go so far as to separate their own handicraft industry from agriculture and accommodate the exploitation of agriculture by industry. Merchants sell handicrafts at high prices and purchase agricultural products at low prices; this is the scissors differential. From now on, only after agriculture is industrialized will the price scissors eventually be eliminated. This is far from the implication that the scissors differential is an economic category in itself.

In theory, the scissors differential belongs to the specific economic category of exploitative relations. The capitalist industry which arises during the course of development of capitalism continuously raises the price of industrial products and suppresses the price of agricultural products through price monopoly in order to rob and squeeze out the small commodity economy. This exploitative relationship has a dual role, reflected in capitalist industry robbing the agricultural producers to fatten itself and as a motive to shift agricultural production onto the capitalist track. This is a specific historical period of varying price exchange ratios manifested through pricing. The presence and nature of the scissors differential are linked to specific social elements and it is not a certain necessary tendency present in whatever society, at whatever time or with whatever exchange ratios.

There are two common arguments in discussions regarding the price scissors question: one says that the socialist state is still at the stage of small-scale production and that differences exist between industrial and agricultural labor productivity; the other is that the state needs to make the peasants supply a portion of accumulation through pricing.

The differences in labor productivity in industry and agriculture may be present over the long term and no matter what, we cannot push or guide the specific economic relations of the price scissors because of these differences. If we say we have done away with the social elements of exploitative relations, we are merely speaking of eliminating the differences in labor productivity and this cannot be called eliminating the scissors differential; rather, in essence it has to do with the problem of abolishing the differences between industry and agriculture, and between the urban and rural areas. Based on the differences in labor productivity between industry and agriculture and the differences in living standards between the urban and rural areas, some comrades often argue that the scissors differential still exists and will continue to exist over the long term; this equates the great historical task of abolishing the differences between the cities and the countryside and between industry and agriculture with the task of eliminating the scissors differential. Actually these are two completely different historical tasks being lumped together, which is obviously not right.

It also needs to be pointed out that what the price scissors reflects is capitalist industry's exploitation of agriculture, chiefly the small-scale peasant economy; it is not appropriate to mechanically apply this concept to socialist conditions. Even if we had the general problem of high-priced industrial products and low-priced agricultural products, we still could not view this as an antagonistic relationship where the peasants suffer and industry gains. The accumulation supplied by agriculture, in the reallocation of national income, includes the wherewithal to ensure the development of socialist agriculture itself. Therefore the two are not analogous.

Another point is that in terms of price trends, the graph for price differences between industrial and agricultural products under socialist conditions is not like the scissors differential curve, which is exaggerated and extended; rather, it is just the opposite, with the lines approaching each other. The red line through this type of price trend lessens the price differential, rather than maintaining the scissors differential in order to obtain accumulation. Of course this is not to say that state accumulation does not include pricing factors, but only to point out that we cannot take the state's extracting savings as the basis for arguing for the inevitable presence of the scissors differential. It is also not advisable for us to mechanically apply the term "surtax" regardless of the historical conditions.

In all discussions of the price scissors question, the historical setting of the USSR at the time is often only explained in the brief words of Stalin and it is mistakenly thought that if agricultural product prices are "a little low" and industrial product prices are "a little high" the scissors differential must be present. It is not thoroughly studied as to why Stalin posed the price scissors as a prominent issue. What are the specific disparities in his "spend a little more money" and "receive a little less money" pronouncements? More often than not this is not well understood. Therefore, it is easy to simply mechanically apply the scissors differential existing in the USSR at that time to the industrial and agricultural product exchange ratios of the period of socialist construction in China.

In the "History of the CPSU (Bolshevik)" a brief description was once written about the historical setting of this period in the USSR which pointed out that that time was a period of recovery for the national economy, industry and the currency were quite unstable, agriculture had yet to be collectivized, private business was very powerful and there was great privation and distress; at the same time, "industrial and commercial organs violated Soviet pricing policies,... industrial and agricultural product price differences were too large." Consequently, this resulted in an industrial sales crisis, which in turn had a damaging impact on industry (see "Short Course on the History of the CPSU (Bolshevik)", p 292). It was under these circumstances that the price scissors became a prominent issue. (For details see the author's commentary: "Nongye Shichang" ["Agriculture Markets"] published in NONGYE JINGJI PINGCONG [Agriculture Economics Review], No 2, 1983, published in 1984 by the Agriculture Press.) Obviously we cannot take the price scissors under these specific conditions as an inevitable phenomenon in socialist economies.

Generally speaking, the scissors differential trend left over from the old society, under socialist conditions, can obviously change to where the disparities are lessened, forming a tendency just the opposite of the scissors differential, namely, where the trend is for the price differences to be drawn together rather than widened and expanded. Therefore in a precise sense, the only significance of the leftover price scissors is as a wornout vestige and cannot be called a scissors differential or a so-called "new price scissors" in the socialist economy; even less could we say it is inherent in the socialist economy or inevitably produced by it. It is no more than a vestige of the scissors differential.

As for the disparate changes in the magnitude of value between the large industrial and agricultural production sectors caused by different labor productivities, it is difficult to trace back and reckon just what trend has emerged historically and at present. It is also difficult today to obtain accurate data, or even if some data were computed the discrepancies would frequently be extremely large because of differing methods of calculation and, therefore, it would hardly be possible for them to have any practical significance. For example, we lack scientific methods of calculation to compute the gross value of industry and agriculture and convert industrial and agricultural labor power. In converting industrial labor power to agricultural labor power there are several different standards, ranging from 1:2 to 1:7, and with the different figures for high and low values it is, of course, difficult to explain anything at all.

Discussion of the above was to point out the need to distinguish between the question of the theoretical concepts of the scissors differential in old China and leftover vestiges of the price scissors in industrial and agricultural exchange ratios under the socialist conditions in China today, and the question of the disparity of change in the magnitude of value between industrial and agricultural products brought about by differences in labor productivity.

Of course, this is not to suggest that China has never had the problem of irrational exchange ratios for industrial and agricultural products. It is possible that irrational price parity ratios could still be fairly prominent for a given period of time. This phenomenon is linked historically to the scissors differential of the old society as well as to the differences in labor productivity for industrial and agricultural products. The price scissors problem that we generally speak of mainly refers to vestiges of the scissors differential yet to be completely eliminated. At the same time, in the process of eliminating the old remnants, it will gradually evolve into the problem of general exchange ratios for industrial and agricultural products. Eliminating vestiges of the scissors differential is a historical task and inevitable trend of the socialist economy, so resolving the problem of irrational exchange ratios for industrial and agricultural products is a day-to-day problem which needs to be handled over the relative long term. We cannot lump the two together. In order to carry out the principle of equal value exchange for industrial and agricultural products it is necessary to study relations among individual products and appropriately readjust the comparative exchange value among the various products. Under the new situation of present vigorous development of a commodity economy in the countryside, the important thing is that we should constantly pay attention to the issue of straightening out pricing so as to suit the requirements for advancing commodity production in agriculture, while we should not take the presence of the so-called scissors differential as an outstanding problem. Actually, from 1950 to 1978 the procurement price for agricultural products rose 117.8 percent and from 1979 to 1982 it rose another 41.5 percent, while prices for industrial products were basically stable. We can represent the changes in the exchange ratios for industrial and agricultural products from 1950 to 1981 as follows:

<u>Year</u>	<u>State Purchase Price Index for Farm Products</u>	<u>Retail Price Index for Rural Industries Products</u>	<u>Price Parity Index</u>
1950	100	100	100
1952	121.6	109.7	110.8
1957	146.2	112.1	130.4
1962	200.1	126.6	158.1
1966	195.8	115.0	170.3
1978	217.4	109.8	198.0
1981	301.2	111.9	269.2

It can be seen from the above summary of price relations that the trend in the exchange ratios does not follow in a fundamental way the ever opening and expanding scissors shape; moreover, we have in fact recovered from the confusing task of distinguishing the remaining vestige of the price scissors of the old society. There is no definite need to delimit a time frame for eliminating the price scissors remnant, but we can anticipate its elimination over the course of many years. We have experienced large price increases for agricultural products since 1978, and after a profound change in the rural economy and production it has fundamentally changed into a question of general exchange ratios between industrial and agricultural products.

There has commonly been a rather large increase in the earnings rates of various agricultural products at present. The earnings rate for some products exceeds the profit margin for general industrial goods. The main problem for agricultural product pricing is the irrational price parity ratios among different farm products, which leads to the relative prominence of the great disparity in earnings, which makes the earnings for grain crops appear lower. There is also disequilibrium among grain crops. Therefore, in paying close attention to straightening out the irrational pricing among farm products we should concentrate on the urgent task of studying and resolving requirements in the theoretical realm and in practical work. Of course, there is also the necessary task of readjusting and making more rational the pricing for industrial products, which was not specifically touched upon here.

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NATIONAL

BRIEFS

WORLD METEOROLOGICAL DAY MARKED--Beijing, 23 March (XINHUA)--About 1,000 people met here today to mark the World Meteorological Day designed by the World Meteorological Organization. At the meeting, Luo Jibin, deputy director of the state Meteorological Bureau, reviewed the achievements made by Chinese meteorologists over the past decade and urged an improvement in the nation's weather service to protect the people against natural disasters. Luo said that China has set up a national network of 2,662 weather stations and about 4,000 more in rural areas staffed by amateur meteorologists. The accurate forecast for a rare flood of the Yangtze river in 1982 turned down a river water diversion plan that would have made 300,000 people homeless, he said. He disclosed that a meteorological center to process satellite data is now under construction in Beijing, and a computerised weather forecasting center is planned. [Text] [Beijing XINHUA in English 1650 GMT 23 Mar 85 OW]

16 April 1985

NANJING AGRICULTURAL TECHNOLOGY CENTER--Nanjing, 16 March (XINHUA)--The China Modern Agricultural Technology Development and Training Center was opened in this capital of Jiangsu Province on Friday. The center will import new agricultural technology, equipment and products, and spread them. It will run training courses on new technology, such as agricultural systems engineering, microcomputer, atomic energy, lasers and ultrasonic waves application. The center will also organize courses for research institutes, state farms and rural collectives on the use of natural energy such as solar energy, biological energy and small hydroelectric plants. It will supply farmers with new techniques on cultivation of grain crops, fruit trees, flowers, vegetables and mushrooms, and earthworm and snail breeding. The center has been established jointly by the Agriculture Ministry and the Nanjing Agricultural Mechanization Research Institute. [Text] [Beijing XINHUA in English 1440 GMT 16 Mar 85 OW]

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TRANSPROVINCIAL AFFAIRS

AGRICULTURAL EXHIBITION HELD IN BEIJING

Beijing NONGYE JISHU JINGJI [ECONOMICS FOR AGRICULTURAL PRODUCTION TECHNOLOGY] in Chinese No 11, Nov 84 pp 15-17

[Article by staff correspondent: "Glorious Course, Great Success--Large-Scale Agricultural Exhibition Held by Two Ministries and a Province in the Capital to Mark the 35th Founding Anniversary of the People's Republic"]

[Text] To mark the 35th anniversary of the founding of the People's Republic of China, a large-scale agricultural exhibition and sales fair is jointly held at the National Agricultural Exhibition Hall by the Ministry of Agriculture, Animal Husbandry and Fishery, the Ministry of Water Resources and Electric Power and the Jiangsu Provincial People's Government.

The exhibition and sales fair includes a "national agricultural achievements exhibition," a "national exchange and trade fair on scientific and technological achievements in agriculture, animal husbandry and fishery," a "national exhibition and sales fair on products of the state farms and land reclamation system and integrated farming, industrial and commercial enterprises," a "national exhibition and sales fair on products of joint enterprises under the water resource system" and an "exhibition on rural township enterprises in Jiangsu Province." This is a relatively large-scale exhibition and sales fair on the agricultural front held in our country since the 3d Plenary Session of the 11th CPC Central Committee.

The exhibition features a combination of displays, sales and technological exchanges and transfers. Wang Zhen, member of the Political Bureau of the CPC Central Committee; Peng Chong and Wang Renzhong, members of the NPC Standing Committee; Li Peng, vice premier of the State Council; Kang Keqing, vice chairman of the CPPCC National Committee; and other leading comrades attended the opening ceremony. Comrade Wang Zhen cut the ribbon. Minister of Agriculture, Animal Husbandry and Fishery He Kang made the opening speech.

With a large number of real objects and bright-colored charts, the exhibition shows that in the 35 years since the founding of the People's Republic, our agriculture under the party's leadership has gone through the land reform and abolished the feudal system of exploitation that lasted for several thousand years; that in 1956 we accomplished the socialist reform of the small peasant economy, realized public ownership of the basic means of production, established

the cooperative economy of socialist agriculture and brought agriculture, which is the foundation of the national economy, into the orbit of the planned economy of the state; and that since the 3d Plenary Session of the 11th CPC Central Committee in 1978, inheriting and basing ourselves on the achievements of the cooperative movement, we have widely implemented various forms of the system of contracted responsibilities with remuneration linked to output in rural areas throughout the country, which have brought into play both the superiority of the collective economy and the enthusiasm of individual commune members and solved a long-standing problem we have faced in building socialist agriculture, thus contributing to our tremendous achievements in farming, forestry, animal husbandry, side occupations, fishery, rural township enterprises, science and technology, education and other fields of work. Our agriculture is changing from a self-sufficient and semi-self-sufficient economy into a commodity economy and from a traditional agriculture into a modern agriculture.

Comparing 1983 with 1949, the country's total agricultural output value increased nearly 400 percent, and annual output of grain, cotton, oil-bearing crops, sugar crops, pork, beef and mutton and aquatic products increased 240 percent, 940 percent, 310 percent, 1,300 percent, 300 percent and more than 1,100 percent respectively. Particularly since the 3d Plenary Session of the 11th CPC Central Committee, the speed of development has been faster than many people thought possible. Computed on 1980 constant prices, the country's total agricultural output value was 188.7 billion yuan in 1978 and 276.42 billion yuan in 1983, a 46.5 percent increase and an average annual increase of 8 percent, which matched the speed during the 1950-1957 period of successful development, far surpassed the 1 percent plus rate of the 1958-1965 period and was also higher than the 5 percent rate of the 1977-1978 period.

The charts and related materials on display show the total and per capita output of China's major agricultural products and specific changes in agricultural equipment in various stages since the founding of the People's Republic.

In the 35 years since the founding of the People's Republic, forestry, animal husbandry, fishery, land reclamation and rural township enterprises have also developed rapidly. As of 1983, the area of surviving man-made forests in the entire country totalled 28 million hectares, and scattered trees planted along roads and rivers and around houses and villages totalled 7.2 billion. More than 4,000 state forests and 175,000 collectively owned forests, occupying more than 62 million hectares, were established in various parts of the country. The country's forest cover increased from 7.5 percent in 1949 to 12.7 percent in 1983. Forest enterprises provided the state with 1.2 billion cubic meters of timber, 2.3 billion pieces of bamboo and funds totalling 18.2 billion yuan. The "three-north" shelter-forest system which runs across 12 provinces and cities and 196 counties (banners) in northwest, north and northeast China, known as the "green great wall," afforested 105 million mu of land, of which more than 66 million mu have survived. The country's total number of live-stock in 1983 increased by 240 percent over that in 1949, of which the number of hogs and sheep increased by more than 400 percent. In 1983, there were 38 state-owned marine fishery companies with a total annual catch of 600,000 tons, and 13 large fishery bases and 136 medium-sized and small fishing harbors were

	1949年	1957年	1965年	1978年	1983年
(1) 粮食总产量 (亿斤)	2,264	3,901	3,891	6,095	7,748
(2) 棉花总产量 (万吨)	899	3,280	4,196	4,334	9,274
(3) 油料总产量 (万吨)	5,127	8,392	7,251	10,435	21,099
(4) 猪牛羊肉总产量 (万吨)	238.5*	398.6	551	856.3	1,402.1
(5) 水产品总产量 (万吨)	45	312	298	485	548
(6) 人均占有粮食 (斤)	418	612	544	637	759
(7) 人均占有棉花 (斤)	1.6	5.2	5.9	4.5	9.1
(8) 人均占有油料 (斤)	9.5	13.2	10.1	10.9	20.7
(9) 人均占有猪羊肉 (斤)	11.8*	12.5	15.4	17.9	27.5
(10) 人均占有水产品 (斤)	1.7	9.6	8.3	9.7	10.7
(11) 农业机械总动力 (万马力)	25*	165	1,494	15,975	24,513
(12) 机耕面积 (万亩)	204*	3,954	23,389	61,005	80,357
(13) 有效灌溉面积 (万亩)	29,938*	41,008	49,582	57,448	66,978
(14) 化肥施用量 (万斤)	7.6*	37.3	194.2	884	1,659.2
(15) 农村用电量 (亿度)	0.6*	1.4	37.1	253.1	436.2

(16) 注: * 为1952年数字。

Key:

1. Total grain output (100 million jin)
2. Total cotton output (10,000 dan)
3. Total oil-bearing crops output (10,000 dan)
4. Total pork, beef and mutton output (10,000 tons)
5. Total aquatic products output (10,000 tons)
6. Per capita grain output (jin)
7. Per capita cotton output (jin)
8. Per capita oil-bearing crops output (jin)
9. Per capita pork and mutton output (jin)
10. Per capita aquatic products output (jin)
11. Total power capacity of farm machines (10,000 horsepower)
12. Tractor-plowed farmland (10,000 mu)
13. Effectively irrigated farmland (10,000 mu)
14. Chemical fertilizer application (10,000 jin)
15. Rural consumption of electricity (100 million kilowatt-hours)
16. Note: *1952 figure

completed. Artificial breeding of prawns grew nearly ninefold in the last 5 years, making China one of the world's major prawn-breeding countries. China is also one of the world leaders in kelp cultivation. Output of fresh-water fish culture increased at an annual average of 11.7 percent between 1978 and 1983, and the number of counties with an annual fresh-water fish production of 5,000 tons increased from 17 in 1978 to 42 in 1982. Fresh-water fish output doubled in 364 counties. After many years of hard work to bring wasteland under cultivation, by 1983 the number of state farms (livestock farms) increased to 2,070, with 66.49 million mu of farmland, 5.41 million mu of rubber plantations and 1.6 million mu of orchards and mulberry fields and employing 5,017,800 staff members and workers. State farms account for 50 percent of the country's total soybean export, 80 percent of fresh milk supplied to large and medium-sized cities, and over 90 percent of the country's total output of natural rubber. In 1983, the state farms' total industrial and agricultural output value was 13,086,000,000 yuan, 4,586,000,000 yuan more than in 1978, and their profits totalled 1,000,000,000 yuan. The total output value of the country's rural township enterprises, as an important force in the national economy, was 49.06 billion yuan in 1978 and 99.9 billion yuan in 1983, an increase of 104 percent computed in terms of 1980 constant prices. In the 5 years from 1979 through 1983, the profits of these enterprises totalled 56.9 billion yuan (including agricultural profits). Of this amount, 9.33 billion yuan was used in support of agricultural development, equivalent to 95.6 percent of the 9.822 billion yuan invested by the state in agricultural capital construction (not including state farms, forest industries and meteorology). More than 30 million people are employed by these enterprises. In 1983, the rural township enterprises in Jiangsu Province had a total output value of 16.2 billion yuan and paid 1.145 billion yuan in taxes, which accounted for 15.7 percent of the province's total revenue. The wages they pay each year total 2.4 billion yuan, supporting about 10 million rural population.

Science and technology hold the key to achieving the four modernizations. The large number of materials at the exhibition show that in the 35 years since the founding of the People's Republic, we have achieved tremendous successes in agricultural education, scientific research and technical extension work. Some 300,000 people have graduated from agricultural colleges, and 550,000 from secondary agricultural schools. As of 1983, the number of agricultural scientific research institutes at and above the prefectural level in China totalled more than 1,300 with over 42,000 scientific research personnel, and there were more than 110,000 agricultural technical extension stations and veterinary stations at various levels with a total of more than 700,000 staff members and workers. At the 1978 national science conference, the Ministry of Agriculture and Forestry recommended more than 3,000 results from research since the founding of New China, of which 295 items were chosen to receive major scientific and technological achievement awards. Between 1979 and 1983, among results of scientific research on agriculture, animal husbandry, fishery and land reclamation, 32 items were chosen to receive state invention awards, 2 items were to receive state natural science awards, and 514 items were to receive departmental technical improvement awards, 196 of which first class awards. In the past 30 odd years, our theoretical level in agricultural science has also been greatly improved. For example, a large number of scientific research items, such as the cultivation techniques for hybrid

glutinous rice, alloctoploid rye and equine infections anaemia, hog cholera attenuated bacterial vaccine and so forth, have met advanced world levels.

Materials and related data on display indicate: In 1983, 151 counties, out of more than 2,000 counties of the country, doubled their total agricultural output value or total grain output; their agricultural and sideline products had a marketable rate of 40.5 percent; and they changed from importing cotton and oil-bearing crops to exporting them. According to the strategic goals set by the 12th CPC National Congress, China tentatively plans to increase its total grain output to 410 million tons, while striving for 420 million tons, by 1990, and to increase total grain output to 480 millions and per capita grain output to 800 jin by 2000. During this period, efforts will be made to turn out more quality agricultural products for domestic and international markets; shift a considerable part of our labor force to rural industries, forestry, animal husbandry, side occupations, fishery, building construction, transport, commerce and other trades; further rationalize the production structure; continue to develop science and technology, culture and education and socialized services in the rural areas; and initially build a richer and culturally more advanced new countryside with small towns as centers and all-round development of farming, forestry, animal husbandry, side occupations and fishery. The Ministry of Agriculture, Animal Husbandry and Fishery recently put forward the strategic goal of "insuring that the country's total industrial and agricultural output value will be quadrupled by quadrupling agricultural output value." The masses of peasants throughout the country are marching forward confidently and courageously to achieve this goal.

12802

CSO: 4007/122

TRANSPROVINCIAL AFFAIRS

FOUR TRADITIONAL MAJOR RICE MARKETS RECOVERING, THRIVING

Beijing JINGJI RIBAO in Chinese 28 Nov 84 p 1

/Article/

/Text/ Wuxi, Wuhu, Jiujiang and Shashi are four cities situated along the middle and lower Chang Jiang, where the major rice producing areas are located. Traditionally, they are the so called four major rice markets. (According to another saying: Shashi is not one of them; instead, it is Changsha, about which we will write a separate report on its recovery of the rice market there.) The CPC Central Committee published "Some Problems Concerning the Policies of Rural Economy" in 1983 (document No 1 of 1983), where it is ruled: After completion of monopolized and allocated amounts of products (grains included) and nonmonopolized products, farmers should be allowed to handle their surplus through various channels. The public would like to know how our traditional rice markets have been doing recently, so this newspaper sent reporters and correspondents to these four cities to investigate. It was found that wherever the rice market is free, business is active and prices are stable with some falling. It also helps to promote food processing and to solve difficulties in purchases. But in those cities where there is no free grain market, we do not see these encouraging signs. It seems that not only should those traditional grain centers be reopened as soon as possible, but other suitable locations should also be provided as available for the operation of free rice markets in order to bring about, the prosperity of the market nationwide.

I. Wuhu: Numerous Varieties Attract Overseas Customers

This reporter came to Wuhu of Anhui Province and saw merchants come continuously to negotiate transactions, with red-hot turnover. In the exhibition hall, over 150 varieties, such as long-grain,

glutinous, nonglutinous round-grain rices, wheat, as well as the famous small-mill sesame oil, jade-belt-cake, chicken flavored noodles, water-ground dumpling flour were displayed. Merchants strolled among them and made purchases. Business was brisk.

Officials of the Wuhu rice market told the reporter that this market is more than 70 years old. Since its restoration in July 1984, over 400 large concerns from 26 areas (province, city or autonomous region) came to engage in business. Total contracted grains, oil and other foodstuffs amounted to more than 200 million jin. Not long ago, foreign countries, such as Iraq, France and Egypt anxiously sent their merchants here to establish business relations. For 3 months running, it has exported 44.5 million jin of grain and oil seeds, an increase of 12.9 percent over the area's annual export in 1983, and has realized a profit of 880,000 yen.

The market is most significant for its versatility in handling business. It has broken geographical and trade boundaries, facilitated mutual exchange of "haves" and "have-nots," balanced surpluses with shortages, and arranged barter deals. In August of this year, 20,000 jin of Shangdong apples, much needed in Wuhu, were bartered for the jumbo crop of local rice. Local grains were also bartered for timber from the northeastern provinces. They have also opened a joint office with Tongliao City of Inner Mongolia.

II. Wuxi: Converging of Boats and Vehicles; Stable Grain Price With Partial Reduction of Prices

With the arrival of the autumn crop, Wuxi City of Jiangsu Province sees a scene of prosperity. The traditional rice market of "three-li-bridge" on the ancient canal became the converging point of grain boats, and land vehicles shuttle to and fro continuously. It is the center of oil and grain exchanges, grain shops and grain merchants from all over came to participate in the active transactions. By the end of October, more than 1.5 billion jin of grains had changed hands here.

Would the activities of grain exchanges push up the prices of grains? This is a common concern of all Wuxi people. Historically, Wuxi was one of China's four big rice centers, but Wuxi people had enough of the misery of skyrocketing grain prices. Many rice looting riots have taken place here. But now all grain shops in the city with plenty of supply at official prices for many varieties, some of them are even cooked. Free market prices are stable and some are falling. The principal form for city folks is the round-grained nonglutinous rice. Its price in the free market was 35 fen per jin and has dropped to around 27 fen. The usually more expensive species of glutinous rice is selling at the same price. Soya bean prices dropped 35 percent. Auxiliary cereals and oil seeds are all getting cheaper. According to the grain department's analysis, with the bumper crop in the autumn, a further reduction of free market prices will be seen.

With the prosperity of the rice market, all other business becomes vigorous. The resurgence of the Wuxi rice market brings the prosperity of transportation, fodder, food industry and food catering services. The grain department's statistics alone show the fodder industry has converted more than 30 million jin of grains during the last few months.

III. Jiujiang: Plenty of Rice but Without an Exchange; The Market Is Still Under Preparation

One of the four big rice exchanges in China, Jiujiang, is still not in operation. Upon the inquiry of this reporter, city government grain department official said it will operate in January 1985. The Jiujiang rice market has a long history. It has excellent prospects for restoration: the supply of rice is plentiful in Jiangxi, always one of our major centers of rice production; Jiujiang is situated along the lower section of Chang Jiang, into which many large waters feed; it is also the junction of the Nanchong-Jiujiang and Zhejiang-Jiangxi railways, a good transfer point of land and water routes; many world famous resorts, such as Lushan, attract both tourists and businessmen. Heads of the Jiangxi Communist Party have repeatedly proposed reopening the Jiujiang rice market in order to revitalize grain exchanges. The local food department has done some work; but difficulties were encountered in obtaining buildings, space etc., which could not be solved quickly. For the time being, preparatory work is still in progress.

IV. Shashi: Multisited; Rice and Wheat Exported to Six Provinces

Shashi City of Hubei Province is rebuilding its rice market feverishly. It incorporates purchase and sale of grains at negotiated prices. Currently there are 14 rice exchanges throughout the city. During the first 10 months this year, the free market transacted almost 10 percent of the city's official grain sales.

As early as the Tongzhi era of the Qing dynasty, Shashi already had a rice market. From the establishment of the PRC up to 1965, small amounts of grain exchanges were still transacted here. It was totally stopped during the "cultural Revolution." After the Third Plenum of the 11th CPC Central Committee, Shashi started to restore its rice market. In 1980, "Food and Oil Price Negotiation Co" was formed and started its free trading of grain and oil. This year, a further relaxation of controls enabled the establishment of the rice and oil centers. Fourteen companies of grain, flour and oil businesses belonging to the municipality are all open to the farmers, allowing them to put up trade stalls. Rice and wheat from the Jiang and Han plains flowed continuously through these markets to six provinces: Guangdong, Sichuan, Zhejiang, and others. In the meantime, corn, soya, sorghum, barley, etc. were imported to give the rice market variety, and business is vigorous.

12804

CSO: 4007/124

TRANSPROVINCIAL AFFAIRS

USE OF PLASTIC FILM DOUBLES PEANUT OUTPUT

OW211113 Beijing XINHUA in English 1036 GMT 21 Mar 85

[Text] Beijing, 21 March (XINHUA)--Peanuts grown under plastic film yielded an average of 4.65 tons per hectare in four northern China provinces and Beijing last year, double that uncovered, says the Ministry of Agriculture, Animal Husbandry and Fisheries today.

Liaoning, Hebei, Henan, Shandong and Beijing covered 40,000 hectares of peanuts with plastic film in 1984. The ministry reports profits of 50 million yuan (about 17.5 million U.S. dollars) with the technique.

Film shelters crops from low temperatures, dry weather, frost and other northern hazards.

The areas compiled technical materials and trained more than 2 million people to spread the technique. Some plots yielded as much as 7.5 tons a hectare last year.

They have also experimentally compared strains and studied density, disease and pest control and recovery and use of worn film to extend the technique.

China began to spread film cover in 1979. Last year it was used on 1.26 million hectares of vegetables, winter wheat, rice, sugarcane, sugar beet, corn and peanuts.

CSO: 4020/160

16 April 1985

TRANSPROVINCIAL AFFAIRS

TIAN JIYUN ON NORTHEAST CHINA GRAIN SURPLUS

OW211255 Beijing XINHUA Domestic Service in Chinese 1426 GMT 17 Mar 85

[Text] Dalian, 17 March (XINHUA)--Addressing a discussion meeting in Dalian on the grain situation in the three northeastern provinces, Vice Premier Tian Jiyun stressed that a long-term view should be taken regarding grain and that we should never restrict grain production simply because of temporary difficulties in grain sales. A long-term goal in China's grain task is to adopt correct principles and policies to maintain and encourage steady growth of grain output and increase acreage and output of improved grain varieties. As grain output increases, we should transform more grain into meat, eggs, and milk, ensure a good exchange and interflow of different varieties of grain between north and south China; and, if the situation allows, make concerted efforts to arrange grain for export to other countries.

According to information released at the discussion meeting, Heilongjiang, Jilin, and Liaoning have steadily increased their grain production. In 1984, their total grain output exceeded 1 billion jin, with the amount of grain available topping the national average by 100 jin. Some 50 percent of the grain in the three provinces was marketable. The figure was 25 percent higher than the national average. But the three provinces experienced inadequate storage and transport facilities, which prompted them to request for the transfer of grain out of their provinces.

Tian Jiyun referred to this situation of grain supply and demand in the three provinces as a "low-level relative surplus." He maintained that, from a long-term point view, China is deficient, rather than affluent, in grain. We must clearly understand the present grain situation and avoid making wrong judgments that may lead to impractical restrictions on grain production.

As regards ways to solve the problem of relative grain surplus, Tian Jiyun stressed the following points:

Each province should take account of its own specific conditions; use the price differences between grain of different qualities and varieties to encourage people to plant more grain of improved varieties the people love to eat and suitable for export; and restrict the growing of high-yielding but low-quality varieties. Pay attention to improving the beneficial results of grain production.

Vigorously develop animal feed industry to transform more grain into meat, eggs, and milk, and improve the people's diet. At present the people's demand for meat, eggs and milk is rapidly increasing. Therefore, it is imperative to provide more grain for the development of stockbreeding so as to produce more meat, eggs, and milk. We should locally strive to transform grain into meat, eggs, and milk while encouraging collectives and individuals to engage in this work. It will not do to solely rely on the state to achieve this transformation.

Closely attend to the work of building ports and other transport facilities, establish sea links between north and south China, and pave the way for exporting grain and for exchanging grain between the north and the south. As the amount of marketable grain increases, it becomes inevitable to ensure exchanges and interflow of different varieties of grain between north and south, a long-term task. In addition to north-south exchanges, a portion of the grain will be exported by the state for the local authorities by following the principle of making concerted efforts to ship the grain abroad.

Touching on the question of improving grain interflow and export, Tian Jiyun maintained that the key lies in improving transport facilities. He said: We must strive to raise the capacity of Dalian's Ganjingzi Grain Port by 1.5 million tons in the next 2 years. We must also speed up the rebuilding of first-grade highways between Dalian and Shenyang, employ heavy-duty trucks, and increase their transport capacity. It is necessary to authorize the Dalian port administration to strictly implement the port's grain shipping plan. Liaoning, Jilin, and Heilongjiang should all follow the unified plan.

CSO: 4007/293

TRANSPROVINCIAL AFFAIRS

RELAXED FORESTRY POLICIES PROMOTE TREE PLANTING

OW170232 Beijing XINHUA in English 0218 GMT 17 Mar 85

[Text] Beijing, 17 March (XINHUA)--Thirteen provinces and autonomous regions in south China reafforested 1.16 million hectares this spring, 13.2 percent more than the same period a year ago, according to ECONOMIC INFORMATION.

Officials attributed the increase to the relaxation of forestry policies, the collection of more funds and the involvement of more people in the country's tree-planting drive.

Specialized households and rural cooperatives in Sichuan Province have met more than 80 percent of their targets so far, ECONOMIC INFORMATION reported.

State-allocated funds were backed with revenue pooled by local governments, collectives and individuals to plant saplings on mountain slopes in Quizhou and Jiangxi Provinces, the paper said.

Under the sponsorship of the Communist Youth League Committee of Hangzhou, 300,000 young people in Zhejiang Province are now landscaping a 210-kilometer belt along the Qiantang, Fuchun and Xinan Rivers. The waterways pass through some of China's oldest and most famed resorts.

"Within 5 years, we expect to restore the area to its former glory when, as an ancient poet described it, 'tallow and willow trees shade river banks, 10,000 pear trees blossom among green mulberry woods,'" a youth league official said.

CSO: 4020/160

ANHUI

PEASANT RELUCTANCE TO STORE GRAIN EXAMINED

Hefei ANHUI RIBAO in Chinese 16 Nov 84 p 1

[Article: "Peasants Reluctant To Store Grain"]

[Text] When this reporter was gathering materials in Anqing and the neighboring area after the storing of autumn grain was completed, he discovered that the peasants were not very enthusiastic about storing grains either for their personal grain reserves or for the state. In Lashuxiang of Huaining County, each year generally 15 million jin of commodity grains are supplied to the state; its name is ranked among the best in the whole county, but in the peasants' houses, the grain in reserve is very little. Ju Shuwen [3818 2579 2429], a peasant in Yuerxiang of this county contracts 15 mu of land which has an annual average production of over 10,000 jin of grain. After completing the assigned sale of grain to the state, he has no place to store his surplus grains. Jintixiang of Wangjiang County is reputed to be the granary of the whole county; 40 peasant households in Jintixiang want to store grains for the state, but due to various reasons, until now no work has been done with regard to the storage.

Why are the peasants not enthusiastic about storing grains? According to our information, there are three main reasons:

1. The peasants are not used to storing grain. In places along Changjiang, the peasants in the past were used to the situation of no good beds to sleep in and no grains stored to eat. Grains of the year were finished in the same year; to store grain was out of the question. In recent years, production has developed, the peasants have more and more surplus grains, but they are still not in the habit of storing grain.
2. The objective conditions are not available. Like the abovementioned peasant Ju Shuwen's household, which has a large number of people, they have gradually become rich since the Third Plenum of the 11th CPC Central Committee. Last year, this household ran a family will; since there is not enough space in the old house, it was impossible to store more grains. Some peasants' houses have more space, but they are of wood, brick and tile structure, which would make it hard to manage the stored grains well with so many rats and birds in the house.

3. Remuneration for storing grain is low. According to stipulations, each year the state pays 2 per-thousand of the storage charges in quotas to the grain storage household agents, that is, 18 yuan for each 10,000 jin of grains. The peasants have done the calculations and have figured out that if 1,200 jin of grain can be stored in 1 m³, a room of 15 or 16 m² can store approximately 30,000 jin of grain for an annual fee of 50 yuan, it is more profitable to rent the room or house, or to sell the grain and deposit the cash in a bank.

In order to solve the above-mentioned problems, all localities must enhance the education of peasants about personal grain storage and storing grains for the state. When the rural areas are building new houses, the departments concerned should take grain storage installation as an important component in the new rural architectural design. Furthermore, the standard of remuneration for grain storage should be raised practically and realistically according to specific circumstances in order to raise the initiative of the masses for grain storage.

12705

CSO: 4007/116

GANGSU

GANSU BOOSTS LIVESTOCK CENTER DEVELOPMENT

OW240726 Beijing XINHUA in English 0646 GMT 24 Mar 85

[Text] Lanzhou, 24 March (XINHUA)--Gansu Province has set up 93 livestock centers since 1982, according to the provincial Department of Animal Husbandry.

In recent years, animal husbandry has developed rapidly in the northwest China province. A number of households specialized in breeding livestock, but they were limited in scale of production.

The province encouraged the formation of livestock centers in 1982, and collected funds from specialized households and other units to construct processing plants.

Gansu has formed a complete system from production to marketing and technical services, which has promoted animal husbandry in the province.

The total output value in this sector reached 664 million yuan in 1984, nearly 10 percent more than in the previous year.

The most marked achievement has been in the production of eggs, which used to be in short supply in Lanzhou, capital of the province. The city has set up modern chicken farms which provide mixed feed and fine breeds of chickens to rural specialized households. As a result, the egg output amounted to 4,245 tons last year, more than double the figure in 1982.

CSO: 4020/160

GUANGDONG

OVERALL AGRICULTURAL BUMPER HARVEST REPORTED IN GUANGDONG

Guangzhou NANFANG RIBAO in Chinese 19 Dec 84 p 1

[Article: "Our Province Attains Overall Agricultural Bumper Harvest: Yield of Food Grain, Sugarcane, Aquatic Products and Rubber Surpasses Previous All-Time Highs"]

[Text] On the basis of our province's increased agricultural output in the past 2 successive years, another bumper harvest has been attained this year. According to the preliminary statistics of the provincial statistics bureau, there are even developments in our province's agriculture, forestry, animal husbandry, sideline products and fishery. Among, the total grain output was 39,075,000,000 jin, achieving an all-time high. Compared with the yield in the preceding year, the respective increases in the yield of sugar cane, rubber and aquatic products were 36 percent, 6.4 percent and 3.2 percent, surpassing the previous all-time highs. The increases in crop yields, e.g., peanuts, roundpod jute and bluish dogbane, tea, fruits, silkworm cocoon, etc. varied. Afforestation areas increased 30.4 percent.

The main reason leading to this year's overall bumper harvest in our province's agriculture lies in the conscientious implementation of the spirit of Document No 1 in all prefectures: the agricultural responsibility system has been further stabilized and improved; the productive initiative of the mass of peasants has been further mobilized, and the agricultural structure and crop distribution have been continually readjusted. Compared with last year, the farming areas of our province under food grain decreased by over 700,000 mu, which were used to develop the planting of sugar cane, peanuts, fruits and vegetables and fish farming. In addition, all prefectures have practiced scientific farming, promoting advanced technology and improved crop varieties. The cultivation of late hybrid rice covered 11.94 million mu, occupying 40 percent of the province's late rice growing areas. Under such circumstances, the total grain output and the yield of cash crops increased.

12726
CSO: 4007/176

GUANGDONG

HAINAN FINANCE UNITS EXTEND LOANS FOR RURAL ECONOMIC READJUSTMENT

HK110822 Haikou Hainan Island Service in Mandarin 0400 GMT 7 Mar 85

[Text] Rural financial departments at all levels in our region have vigorously supported the rural areas with funds to readjust their industrial structure. In January and February this year all agricultural banks and credit cooperatives throughout the region issued an accumulative total of agricultural loans of 100.05 million yuan, which is some four times greater than in the same period last year. These loans were mainly used to support the cultivation of grain, peanuts, and sugarcane, afforestation, the cultivation of tropical crops, and the development of township and town enterprises.

All rural areas in our region have seriously implemented this year's Document No 1 of the central authorities and have vigorously readjusted their industrial structure. The amount of funds needed is more than in previous years. In light of this situation, the agricultural banks in Hainan Region, all counties, and the city have especially set up funds control leadership groups and have promptly made good preparations for the supply of funds.

Last winter and this spring, the Wenchang County Agricultural Bank and Credit Cooperative issued loans totalling 56 million yuan to support the whole country to do well in spring farming. During the period when peasants were developing sugarcane production, the credit cooperative of the (Henglai) Business Office issued loans of 19,000 yuan to 123 peasant households to develop sugarcane production so that they could plant sugarcane on 965 mu.

The Qiongzhan County Agricultural Bank and Credit Cooperative supported spring farming to meet the needs of the readjustment of the rural industrial structure. They promptly issued loans and increased the amount of loans for diversification, township and town enterprises, and the tertiary industry. The amount of loans issued was 3.6 times greater than in the same period last year.

In addition, all agricultural banks also issued loans of 345 million yuan to support the rural commercial departments in organizing the supply of fertilizers, agricultural chemicals, and agricultural tools in the market to satisfy peasants' needs.

CSO: 4007/293

GUANGDONG

BRIEFS

HAINAN FORESTRY--Since 1982, the district has vigorously planted fast growing high yield forests, resulting in a thorough change in its afforestation. By the end of 1984, the district had planted 525,509 mu of fast growing high yield trees, of which 209,915 mu was high yield forest assigned by the central authorities. [Summary] [Haikou Hainan Island Service in Mandarin 0400 GMT 14 Mar 85 HK]

HAINAN TROPICAL CROP INSTITUTES--The Huanan Tropical Crop Scientific Research Institute and the Huanan Tropical Crop Institute have made use of loans provided by the World Bank to build an experimental center, which was recently completed. The imported instruments and equipment, whose value is over \$1 million, have been put into operation. This is the first experimental center possessing relatively complete categories and modern analytical instruments. The center has a large enclosure for plants to grow in which light, temperature, and humidity can be regulated. The instruments can compile mathematical statistics, calculate numerical values, and microscopically observe and quantitatively analyze all kinds of samples. The center can also undertake artificial experiments. [Text] [Haikou Hainan Island Service in Mandarin 0400 GMT 19 Mar 85 HK]

CSO: 4007/293

GUANGXI

GUANGXI TO ABOLISH MONOPOLY PURCHASE OF GRAIN

HK181208 Nanning Guangxi Regional Service in Mandarin 1130 GMT 17 Mar 85

[Excerpts] In accordance with the spirit of the 1985 Document No 1 of the Central Authorities, the regional People's Government has decided that beginning with the 1985 grain year, our region will abolish the monopoly purchase of grain and change it to ordering grain by contract. Regarding grain ordered by contract, the state will purchase it at good prices. Regarding grain not ordered by contract, it can freely go on the market.

The implementation of the policy on monopoly purchase and marketing of grain in our region commenced in October 1953. The implementation of this policy over the past 30 years and more has played an important part in guaranteeing people's food, military supplies, and economic construction. In recent years, in the wake of implementing the system of contracted responsibilities with payment linked to output in households, grain production has quickly developed. The policy of monopoly purchase and marketing of grain has not suited the current situation in the development of commodity production. Therefore, the regional People's Government has decided in accordance with the spirit of this year's Document No 1 of the Central Authorities.

The advantages of reform of the policy on purchasing grain are:

1. Grain production can be organically linked with consumption of grain in society to promote the planned development of commodity grain. We can guarantee that the state can purchase the necessary commodity grain and grain production can be relatively steady.
2. The circulation links of the state's purchase, marketing, allocation, and storing of grain can be reformed so that planned and rational arrangements can be made.
3. Grain can be purchased at prices in accordance with a fixed proportion, and the defects that the original purchase base was either too low or too high and that peasants' income was not even can be basically corrected. Thus, the state's expenditures, peasants' economic interests, and the prices of grain will become more steady and rational.

4. The state will purchase grain at good prices. When the market grain prices are lower than the original monopoly purchase prices, the state will still purchase grain at the original monopoly purchase prices. This will reduce the state's excessive grain subsidies financially and will protect the peasants' interests.

5. This will be beneficial to the readjustment of the rural production structure and will promote the transformation of grain locally so as to further promote the development of animal husbandry and the food processing trade and to increase the peasants' income.

6. The new method of grain purchase pricing is simple and convenient. It will facilitate the peasants in selling their grain and will reduce the amount of work in basic-level grain departments.

CSO: 4007/293

GUANGXI

GUANGXI LEADER DISCUSSES AGRICULTURAL PROBLEMS

HK250311 Nanning Guangxi Regional Service in Mandarin 1130 GMT 24 Mar 85

[Text] Today's GUANGXI RIBAO carries a report on answers given to reporter's questions by (He Jicai), director of the regional Agriculture, Animal Husbandry, and Fisheries Department, who outlined his views on certain problems in current agricultural production in the region.

Comrade (He Jicai) held: At present there are two problems in spring farming that merit particular attention. First is the question of how to correctly implement the principle of actively developing diversification without the slightest slackening in grain production. We must pay attention to eliminating trends of neglecting grain production that have appeared in some places. Second is the question of how to overcome the impact of unfavorable weather and establish the idea of catching up with the season. We must adopt an appropriate counterstrategy and effective steps to change the situation of passivity in spring farming.

(He Jicai) held: We must strive to solve on the spot current problems in spring farming such as supplies of seed, irrigation water, machine plowing, compost, farm chemicals and fertilizer, and plastic sheeting, together with problems of care of draft oxen. We must help the peasants to fulfill the spring sowing plan without missing the season. At the same time, we must make preparations, from ideology to material, for resisting natural disasters and reaping bumper harvests.

He expressed the hope that the agriculture, animal husbandry, and fisheries departments at all levels would concentrate forces to grasp spring farming, act as the government's staff officers, and do a good job in providing technical services.

CSO: 4007/293

GUANGXI

BRIEFS

GUANGXI FEED PROCESSING PLANTS--Nanning, 13 March (XINHUA)--The Guangxi Zhuang autonomous region built 100 fodder mills last year, a major step up from the 35 constructed in 1983, according to local authorities here today. The plants helped the south China region raise its annual feed production to 279.000 tons, treble its capability in 1983. Of the 100 new factories, 79 produce mixed and composite feeds which can help shorten growth periods of livestock and poultry and cut production costs. China's national development program calls for increasing production of mixed feeds from the seven million tons made in 1983 to about 50 million tons by 1990. [Text] Beijing XINHUA in English 0957 GMT 13 Mar 85 OW]

CSO: 4020/160

HEBEI

HEBEI HOLDS MEETING ON RELIEF THROUGH PRODUCTION

HK181244 Shijiazhuang Hebei Provincial Service in Mandarin 2300 GMT 10 Mar 85

[Text] The provincial government recently held a meeting to listen to the report made by the Provincial Civil Affairs Department on current relief work through production and to study the problems of relief through production.

Last year, after some places in Yan Shan, Heng Shan, and Taihang Shan in our province suffered a serious natural disaster, provincial departments at all levels and governments at all levels in the stricken areas vigorously organized the victims of the natural calamity to provide for and help themselves by engaging in production and to develop diversification and commodity production. They made arrangements for the victims' livelihood and scored very great achievements. At present, the people's minds in all stricken areas have been put at ease, social order is good, and the prices of grain in the markets are stable.

The meeting held: We must by no means be satisfied with the achievements already made in relief work. Last year the disaster situation in three prefectures--Chengde, Zhangjiakou, and Baoding--and some counties in the mountainous areas in Qinhuangdao City was very serious. The majority of them are single-cropping areas. They suffered a natural disaster, the masses have lived in fairly straitened circumstances, and the relief tasks are still very arduous.

The provincial government has studied and decided that it is necessary to further strengthen leadership over relief work through production, to organize and send forces deep into the stricken areas to conduct investigations, and to further make arrangements for the livelihood of the victims of a natural calamity.

The 18 seriously stricken counties throughout the province must regard relief through production as the focus and, from the angle of developing production and supporting the victims of a natural calamity, to provide for and help themselves by engaging in production. They must make arrangements for work for the whole year. Regarding stricken areas which have suffered a natural disaster for 2 consecutive years or more and the particularly seriously stricken areas, in light of practical needs it is essential to carry out a state monopoly for marketing to guarantee supplies. Relief funds must be mainly arranged for the seriously stricken areas. It is imperative to guarantee that good

arrangements are made for the livelihood of the victims of a natural calamity and a certain amount of extras must be reserved to meet the urgent needs in times of difficulty when the new crop is still growing and the old one has been completely consumed. Commissioners, mayors, and county heads must personally grasp the work of selling cotton and cloth on credit. It is necessary to solve as soon as possible the people's problems of lacking clothing and bedding in the poor mountainous areas which have had many natural disasters.

The provincial government has also decided to send three work groups to go deep into Chengde, Zhangjiakou, and the mountainous areas of the Taihang Shan to investigate and guide relief work and the work of helping the poor.

CSO: 4007/293

HEILONGJIANG

STATE FARM SUCCESS DUE TO FOREIGN FUNDS, EQUIPMENT

Beijing JINGJI RIBAO in Chinese 17 Nov 84 p 2

/Article: "State Farm Speeds Up Exploratory Development"

/Text/ Editor's Note: Since the 3rd Plenum of the 11th CPC Central Committee, the departments of farming, animal husbandry and fishery of all localities actively implemented the open door policy; they utilized foreign funds, introduced advanced technology and achieved successful results. The state farms and reclamation farms took bigger steps to conform to the policy. Up to this year, the total amount of foreign funds signed by agreement has reached \$253 million, which is one-third of the agricultural gross amount. Some projects, by utilizing foreign funds, have already achieved outstanding economic results. It is worthwhile to study their experience.

The cultivated land of the Heilongjiang reclamation region, which is half of the cultivated area of state farms in all of China, has actively introduced funds and advanced farm machinery from abroad to speed up the exploratory construction of the reclamation region. The total area of this reclamation region is 86.46 million mu, of which uncultivated wasteland is 15 million mu and cultivated land is 31.83 million mu. Since 1979, in order to speed up the pace of exploratory development, the reclamation region began to carry on an experiment in the second brigade of the first branch farm of Friendship Farm by using foreign funds. The total investment is 4.32 million yuan, and 80 percent of the investment was already recovered last year. This year the total amount of investment will be recovered. In 1983, each of the 20 agricultural workers of the second brigade produced an average 590,000 jin of grains and beans which equaled to 24 times the average rate of labor productivity of the reclamation area in the same year.

In 1980, through the form of compensatory trade, the reclamation area spent more than 100 million yuan to purchase some advanced foreign farm machinery in complete sets for farm cultivation, spray irrigation,

transportation, storing and preserving of grain, engineering construction, etc. In the Sanjiang Plain, the Honghe Farm newly built in the advanced level of the eighties exploited 370,000 mu of wasteland. For 4 years, this farm, even with the endless natural calamities, still achieved a harvest of more than 73.73 million jin of grains and beans with a net profit of 4.4 million yuan.

This year, the Heilongjiang Farm and Reclamation Project, with a loan of \$80 million from the World Bank, plans to construct and expand 2 farms, 18 branch farms and 39 modern production brigades to exploit 3 million mu of wasteland. When productive capacity completely developed in 1986, commodity grain and bean production will be increased by 750 million jin each year; it will supply 500 to 600 million jin of marketable grain to the state, thus becoming its major commodity grain base.

Up to now, Helongjiang reclamation area has introduced from Europe, America, Japan and other countries 7,500 complete sets of various large farm machines and engineering installations. Eight projects of technological cooperation carried out with foreign countries have already been completed.

12705
CSO: 4007/112

HEILONGJIANG

BRIEFS

HEILONGJIANG FRESH-WATER FISHERY ACHIEVEMENTS--In 1984, Heilongjiang Province increased the number of households engaging in fresh-water fishery from more than 3,000 in 1983 to more than 6,000 in 1984 and increased the acreage of water areas from 198,000 mu in the past to 367,000 mu at present. The total fish output reached 55,000 tons, of which fish bred in fresh water reached 28,900 tons, a 40-percent increase over the 1983 figure. [Excerpts] [Harbin HEILONGJIANG RIBAO in Chinese 5 Mar 85 p 1 SK]

HEILONGJIANG AFFORESTATION TARGETS--The Heilongjiang Provincial Greening Committee has raised the fighting goal for its 1985 afforestation work to afforesting 5 million mu, and growing 650,000 mu of saplings. Meanwhile, each person should voluntarily plant three to five trees on average. In 1984, the masses in the province afforested 7.9 million mu, and 86.7 percent of which survived. [Summary] [Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 8 Mar 85 SK]

HEILONGJIANG INDIVIDUAL-OWNED TRACTORS--In Heilongjiang, there has appeared an encouraging situation in which peasants are operating farm machines. At present, an average of 35 peasant households own a small tractor. Tractors of all sizes operated by peasants have increased to 177,630, of which some 26,000 are large ones. Specialized farm machinery households in the province have increased to more than 18,000. In addition to doing their own farmwork, they use the tractors to farm for other peasants. According to surveys, a large tractor can bring a net income of about 6,000 yuan a year to peasants, a medium-sized one, about 10,000 yuan, and a small one, about 4,000 yuan. The income of most of the specialized farm machinery households is 100 or 200 percent higher than for households without farm machines. [Summary] [Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 13 Mar 85 SK]

HEILONGJIANG PADDY-GROWING AREAS--Various localities in Heilongjiang Province have actively expanded paddy-growing areas. Thus far, the province has expanded the paddy-growing areas by more than 1 million mu. [Summary] [Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 17 Mar 85 SK]

CSO: 4007/293

HENAN

HENAN VICE GOVERNOR ON AGRICULTURAL DEVELOPMENT

HK150932 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 13 Mar 85

[Excerpts] According to HENAN RIBAO, at a recent meeting of leading comrades from the provincial Agriculture Department, the provincial Forestry Department, the provincial Water Conservancy Department, and the provincial Agricultural Research Center, as well as responsible comrades from the provincial Planning Commission, the provincial Economics Commission, and the agriculture section of the provincial Science and Technology Commission on rural economic development this year, provincial Vice Governor Hu Tingji pointed out that readjusting the rural production structure is an important policy decision which corresponds with development of rural commodity production. It is a long-term strategic task. Due to various factors, it is necessary to carry out this task according to local conditions and by giving individualized guidance. Last year, the province's rural economy continued its reform development. The province's agricultural output value for 1984 was 2.23 billion yuan, an increase of 9.7 percent over 1983. The total grain output was 57.87 billion jin, the second highest record ever achieved. The amount of livestock at the end of 1984 increased by 11 percent compared with that at the end of 1983, changing the situation of a drop for 6 consecutive years. There has been an overall growth in forestry, animal husbandry, sideline production, and fishery, and expected results have been achieved.

What shall we grasp as priorities this year? Hu Tingji pointed out that we must first grasp the readjustment of the production structure.

Hu Tingji also stressed that all professional departments must provide good services centered on readjusting the rural production structure and giving new vitality to the development of rural commodity production.

CSO: 4007/293

HENAN

HENAN HOLDS CONFERENCE ON ARRANGING SPRING FARMWORK

HK201404 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 19 Mar 85

[Excerpts] Yesterday evening the provincial government held a telephone conference on spring farmwork in the province to make arrangements for this spring's wheat field management and agricultural production.

Provincial Vice Governor Hu Tingji delivered a speech entitled "adhere to reforms, give meticulous guidance, and swiftly launch a drive to carry out spring farmwork."

Vice Governor Hu Tingji said that since the province has been hit by cold winds twice this year, wheat has been damaged to different extents. But most wheat has been damaged in the stalks, and only a small part has been frozen. He demanded that comrades working in rural areas, agrotechnicians in particular, must go deep into the practice of production, conduct investigations on the affected wheat fields one by one, make a scientific assessment of wheat growth, and take remedial measures to reap a bumper harvest of this year's summer grain. In making preparations for spring sowing, it is necessary to correctly handle the relationship between grain and economic crops. We must develop diversified economy on the premise of grasping grain production and ensuring a continuous and steady increase in grain output. The province has worked out an initial plan to reduce the area for growing autumn grain by 2 to 3 million mu and to reduce the area for growing cotton by 4.5 million mu this year.

The vice governor continued that it is necessary to make overall arrangements and unified planning in readjusting the production structure and developing spring agricultural production. Readjusting the production structure should not hamper spring agricultural production, result in a drop in production, or cause losses due to man-made mistakes.

He stated: All departments concerned must promptly make arrangements in materials, funds, and technological forces and improve and upgrade seed selection, the cropping system, and cultivation techniques.

CSO: 4007/293

HENAN

BRIEFS

HENAN FORESTRY--Zhengzhou, 10 March (XINHUA)--Henan Province is growing 6.5 million mu of economic forest, up 32.7 percent from 1978. Forestry products include apples, haw berries, walnuts, dates, and persimmon. [Summary] [Beijing XINHUA Domestic Service in Chinese 0029 GMT 10 Mar 85 OW]

CSO: 4007/293

HUBEI

HUBEI GOVERNMENT MEETINGS DISCUSS SPRING FARMWORK

HK240333 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 23 Mar 85

[Excerpts] The provincial government recently held two governor's executive meetings to study and make arrangements for spring farming. Governor Huang Zhizhen presided.

The meetings pointed out: A new special feature of spring farmwork this year is that following the opening up of the state monopoly purchase policy on agricultural products, the peasants are shifting from mainly organizing production in accordance with state plans to arranging it according to market needs. Hence, strengthening positive guidance and improving service quality are very important for rationally restructuring the province's agriculture, achieving steady agricultural growth this year, and stimulating new development in agricultural commodity economy. The meetings made the following demands on government at all levels, all departments, and the rural cadres and masses:

1. Study and implement in depth this year's Central Document No 1 and apply its spirit to guide the readjustment of the agricultural production structure.
2. It is imperative not to slacken grain production. At present some areas suited to growing grain are making excessive reductions in the sown area of grain. This sign of slackening grain production merits attention. The government at all levels and the departments concerned must have a sober understanding and a correct estimate of the province's grain production. They must step up propaganda, provide correct guidance, and encourage the peasants to work hard to readjust grain strains, improve quality, develop high-quality rice, plant more legumes, increase yields, and promote grain conversion.
3. Vigorously popularize advanced agricultural technology and improve scientific management standards in agriculture.
4. All departments must support agriculture.

CSO: 4007/293

HUBEI

BRIEFS

AGRICULTURAL, INDUSTRIAL OUTPUT--The provincial economic and technical coordination conference disclosed: The province's grain output may reach 45 billion jin this year, and per capita grain output may break the 900 jin barrier for the first time; cotton output may reach 10 million dan, a 30 percent increase over the last year, and as of now 8 million dan have been procured; livestock and aquatic products have all increased by a large margin. Consecutive good agricultural harvests have given an impetus to industrial, transport, financial and trade development in the province. Total industrial output value from January through October was 28,943 million yuan, a 12.1 percent increase over the same period last year. More encouraging is the obvious improvement in economic results, which have met the goal of "three synchronous" increases. Urban and rural markets are prospering with brisk buying and selling throughout the province. As of the end of October, total volume of retail sales was 11,598 million yuan, a 15.1 percent increase over the same period last year. The total industrial and agricultural output value of the province may reach 51 billion yuan this year, which will be a new record, fulfilling the goal of the Sixth 5-year plan 1 year ahead of time. [Text] [Wuhan HUBEI RIBAO in Chinese 19 Nov 84 p 1] 12802

COTTON PURCHASE--As of 5 November, 8.04 million dan of new cotton were purchased in the whole province, overfulfilling provincial purchase plan by 3.1 percent and state purchase plan by 540,000 dan, and surpassing the same period last year by 4.09 million dan. To do a good job in cotton purchase, cotton departments at all levels in the province seriously improved their service attitude, actively made preparations and adopted effective measures to make sure that the cotton departments would purchase as much as the cotton peasants had to sell without limitation. 1. More than 14,000 cotton purchasing technical personnel received training by rotation. 2. The province added 246 new purchase windows and more than 900 new platform scales and test cotton jins, and also suitably expanded freight yard facilities. 3. While continuing the practices of setting up receiving points for different areas, making appointments for deliveries and alternating purchases on odd- and even-numbered days, where possible the purchase departments called on specialized cotton-growing households of "10,000 jin or more" and some cotton growers in remote border areas to make appointments for purchases at their doors. At present, the cotton purchase departments at various levels are racing against time to do a good job in the latter period of cotton purchases to insure that the good crop is brought in. [Text] [Wuhan HUBEI RIBAO in Chinese 12 Nov 84 p 1] 12802

HUBEI FERTILIZER PRODUCTION INCREASES--By the first 10 days of December, the cumulative fertilizer production of the province was 618,000 tons, surpassing the annual production plan by 17.8 percent and making a profit of 21.55 million yuan. The situation of a long-term deficit incurred in fertilizer production ended. Our province's fertilizer enterprise is the nitrogenous fertilizer factories. In the past, due to the inefficient facilities of the nitrogenous fertilizer industry, energy consumption was high. Before 1980, losses were incurred every year. The total deficit incurred in the last decade amounted to over 160 million yuan. In recent years and particularly this year, an enterprise reform of the nitrogenous fertilizer factories has been accelerated. Chemical fertilizer production, after the reform, increased 65,000 tons compared with that of last year, and the consumption of energy dropped remarkably. The average consumption of ammonia coal per ton decreased by 206 kg, dropping 9.9 percent, which was equivalent to 121,000 tons of standard coal saved. Compared with the average consumption of ammonia electricity per ton last year, this year's consumption decreased by 53 kWh, dropping 3.8 percent, which was equivalent to 37.63 million kWh of electricity saved. [Text] [Wuhan HUBEI RIBAO in Chinese 17 Dec 84 p 1] 12726

CSO: 4007/176

HUNAN

INTERNAL FUND ACCUMULATION FOR AGRICULTURE STRESSED

Beijing NONGYE JINGJI WENTI [PROBLEMS OF AGRICULTURAL ECONOMICS] in Chinese
No 11, 23 Nov 84 pp 59-63]

[Article by Nie Zhongyang [5119 0022 7122] of the Propaganda Department
of Qiyang County Party Committee in Hunan Province: "Pay Attention to
Agricultural Internal Fund Accumulation"]

[Text] Now that the joint policies of "collectivism" and "individualism" and the double-tier management of complete responsibility for all production have all been carried out in the rural villages, there has emerged a new problem that requires both serious consideration and solution. The problem concerns management of agricultural internal fund accumulation in order to advance the practice of the "two changes" in rural villages. What we shall discuss below are some of the actual situations that concern this problem in our county as well as our views on them.

1. Pay Attention to the Management of Agricultural Internal Fund Accumulation After the Realization of the United Principles of Collectivism and Individualism and Double-Tier Management

After the system of the complete assumption of responsibility for all production has been put into practice in the rural areas with individual families now being the primary management units, new changes have emerged in the basic management formula in these areas. The formula has changed from the old one of collectivism to the use of the unified principles of collective as well as individual management. Under this new management formula, however, some of the cadres and the masses in the rural villages have been having some erroneous ideas about the problem of fund accumulation. Some of them feel that under the system of individual management it is no longer necessary for the collective to have any accumulated fund. Others are still under the "leftist" influence and feel that now with the individual families managing their own production the various accumulated funds should no longer be considered as collective, and they, therefore, have allocated these funds to "the other register". As a result, the control of both these funds and family accumulated funds have become lax and even out of control.

Under these circumstances, there have emerged two unbalanced situations regarding agricultural internal fund accumulation: The first type of situation can be seen in cases of some rural villages no longer accounting for the item of fund accumulation when they sign production agreements; and even when they do allow for the item on their agreements, the amount is never honored. For example, at the beginning of 1983, 70 production brigades of Sankoutong Village in the Dazhongqiao area all had signed agreements with their rural households. Under the agreement, the rate of 4 to 6 yuan per mu would be paid into the collective accumulated fund. However, an investigation at the end of the year showed that the households of only two of the brigades had actually paid the agreed amount for the collective fund. In the other villages, although the amount had been allocated on paper, only a few cents per mu were actually paid into the fund. Therefore, in reality, most of the allocated fund had been reappropriated to pay for such services as pumping water and was never used as intended --for the expansion of production. Therefore, in these villages, with the lack of fund accumulation and the exhaustion of private funds, the rural villages are without collective economic resources, and some of them have even owed their brigades their collective membership dues.

The second unbalanced situation that has developed in the aspect of fund accumulation concerns some of the newly rich rural households, who when they have extended their expenditures beyond their income, would, of course, hardly pay attention to the aspect of accumulation. They might have spent all their belonging on building their own houses or on wedding or funeral ceremonies. Such premature spending would necessarily and directly affect the agricultural internal fund accumulation. Some of these rural households have even resorted to the theories of "financial management in the red" or "depending on heaven to feed me." Another situation in the problem has occurred when some of the cadres among the collective officials are worried by the possibility of changes in the central policies. They, therefore, feel that the money may be lost forever once it has been handed into the fund accumulation or spent on actual laboring tasks. As a result, they are reluctant to spend the money to increase production or for the use of any productive fields that may require longer growth periods with slower returns. However, fund accumulation is not only an important way of achieving accumulation, it is also the chief way to increase production on an extended scale. The whole process of production cannot be carried on if any of the linkages are lacking in the necessary fund. For the moment, the rural areas in our country are at the stage of changing from an economy of semi-self-sufficiency to a larger model of commodity production. Therefore, at this transitional stage when our agriculture is progressing from a traditional to a modernized stage, large amounts of funding must be gathered for this purpose. However, the basic resources of our country are low, so the annual national funding must all be spent on building the important items in our country's construction. Thus, only a limited amount of funding may be spared for use on agricultural investing. As a result, we must continue to rely on agricultural internal fund accumulation in order to fulfill the necessary demands for capital in agriculture. In this aspect, we should note most important of all, that to increase agricultural internal fund accumulation is to help in the development of commodity production.

At the moment, the production of commodities in the rural areas has entered a phase of rapid development. In these circumstances, most of the rural workers have already fulfilled their basic survival needs, and their production goal has also changed from their own consumption within the family unit to retail in the market. Therefore, in order to develop commodity production, such as the promotion of the processing of agricultural subsidiary production, there must be sufficient capital reserves. Because without the necessary funding, a superiority in natural resources cannot be made into superior products nor ultimately into superior commodities. We can say, therefore, that fund accumulation is the "catalytic agent" in changing the rural economy from laissez-faire to commodity production. We should also note that the state of our agriculture is still relatively backward and the basic attitude is still one of relying on nature to provide the necessary harvesting results. Therefore, to change this basic attitude and to begin to carry out modernization, we must continue to build and maintain the small- to medium-scale irrigation works in the rural areas and continue to advance the use of agricultural technologies, all of which depend on fund accumulation. Moreover, to pay attention to the increase in agricultural internal fund accumulation also fulfills a requirement that has arisen during the development of the new system of complete responsibility in agricultural production.

After the Third Plenum of the CPC Central Committee, the promotion of the system of complete responsibility that is based on the system of complete responsibility that is based on the joint realization of the principles of collectivism and individualism, and double-tier management has taken a very short time in our county. In the realization of this process, carrying out the "individualism" principle with the implementations at the various levels has been the fastest and this has certainly had an important result in both the aspects of positive regulation of the rural workers and increased agricultural production. However, in the aspect of "collectivism", there has not been the appropriate development in such matters as the services that have been provided by the unified economic units to the families in their new management or in the necessary help that has been given to the families during all phases of their production. The reason for this lack in the progress of "collectivism" is that these units are lacking in actual resources. Therefore, to pay attention to increasing the agricultural internal fund accumulation is the way to strengthen the collective economic resources, and this has, thus, become the foremost issue in the current stage of agricultural development of the system of complete responsibility for all production. We should, therefore, bring this issue to the attention of the various party committees as an important item of consideration in the system of complete production responsibility.

II. New Demands That Have Been Made on Agricultural Internal Fund Accumulation by the Practice of the United Principles of Collectivism and Individualism and the Double-Tier Management

After the united policies of collectivism and individualism and the double-tier system of complete responsibility for all production have been carried out in the rural villages, new circumstances and demands have arisen in the issue of agricultural internal fund accumulation and these are as follows:

1. The function of the agricultural internal fund accumulation has changed. Its former function simply concerned the matter of the accumulation of the working capabilities of the production brigades, and in their calculation at the end of each year, the amount of cash accumulation in accordance with the definite ratio would be kept back. However, after the system of complete responsibility for all production has been carried out in the rural areas, the households have changed from their former nature of being a unit of family living to one of management where both the work of production and family living are integrated. Therefore, on the basis of family management, there have emerged different kinds of integrated economic formulas in the families; and in the rural villages such economies as those of complete production responsibility, self-management and integrated models have also been put into practice. In order to accelerate economic production, one way is to advance production to the phases of specialization and commercialization, and the second way is to gradually break the boundaries of administrative planning in order to achieve the suprabrigade and supracollective integrated production of specializations or the integration of productive links. The development of such cooperative modes of economy require production on an extended scale that is based on the necessity of accumulation. Therefore, most of the functions of the accumulated funding that had formerly been in the hands of the production brigades have been transferred to the families and the integrated economic units. Faced with these changes, we should expand our outlook in the work of agricultural internal fund accumulation in order to increase both the amount and the channels of resources of agricultural internal fund accumulation. Therefore, in order to advance the growth rate of agricultural internal fund accumulation, we must pay attention to the effect of collectivism and the resulting effort of the households and the unified units in the issue. Only thus can the growth of production continue.

2. Changes in the collection methods of fund accumulation. Under the former system, the method was to reserve regulated amounts in the apportionments to the production teams for the fund accumulation. Now, under the new system of the families assuming entire production responsibility, reforms in the methods of collection have been made. Most of the production brigades now base the amount of their collection on the sizes of the fields or the number of people in the households. However, this practice has only been effectively carried out in some regions, while most production brigades have failed in their collection effort. A closer look shows that the reason for the failure is that this method of collecting the fund accumulation is no longer compatible with the new management formulas in the rural areas. To begin with, this method is not compatible with the current specialized production of commodities. With the development of commodity production in the rural areas, many agricultural workers have already left their fields for the mountains, the water, other fields of labor, or commerce and service industries. As a result, agriculture is now being increasingly run by the united effort of the agriculturally capable. After all, the rural households have developed in productive ways according to their own technological skill, favorable local conditions and economic benefits. The rural households would naturally select different goals for their investment and use different ways to enrich themselves; they would neither be interested nor invest in fields

of production with low returns. Therefore, when the method of collecting the agricultural internal fund accumulation does not consider either questions of benefits or interest, then it would naturally dampen the zeal of some of the rural households for their individual share and work. The rural households now prefer to base their system of organization on an individual, joint, or share-holding base; they no longer want to spend their income within the system of administrative centralization on productive fields of uncertain outcome. Therefore, under these circumstances, it is difficult to continue using the method of collecting the fund accumulation based on the size of the rural households' fields. Furthermore, this method of collection is also incompatible with the present standard of control by the brigade cadres or with the degree of consciousness of the brigade members. Most of the rural workers feel quite enthusiastic about spending the accumulated fund on improving the productive means or other services that benefit the people. However, some of them are still worried when part of the fund may be used in business ventures by cadres because of the fear that the profit may be pocketed by corrupt cadres. These rural workers are, therefore, reluctant to take money from their own pockets and hand it over to the cadres for their control and management. Instead, they prefer to know the purposes for spending the money as well as the exact items of expenditure and the exact amount involved. They want to give the amount that is required and already accounted for. Because of these tendencies, we should not hesitate to boldly reform the practice of the accumulated funds in order for the policy to be accepted by the masses and therefore be effectively carried out in reality.

3. Changes in the management, goals of expenditure and use of the accumulated fund. Formerly, the accumulated funds of the production brigades were collectively managed and spent by the brigades, and they were mostly spent on the basic building items of the agricultural fields. Such areas of expenditure as the commercial or transportation enterprises of the rural workers themselves were considered "prohibited fields", with the areas of expenditure therefore limited in scope. After the policy of the families assuming complete production responsibilities has been carried out, most of the funds for the increase of production on an extended scale have been reallocated to rural households for their individual management and, therefore, the areas of these funds' expenditure have also been expanded. Now, any of the production brigades, rural households or collective units may invest in commercial enterprises and, therefore, become part of the movement of mobility in society; they may also develop mining, transportation or service industries. Therefore, in this situation, when fund accumulation is managed concurrently by the individual and collective units, in order for the accumulated fund to result in greater economic benefits, new policies must be made with the goal of further increasing the capital in the hands of rural workers so that their surpluses may be used as the accumulated fund, which in turn may be invested in new productive fields.

From the above, we know that under the new practice of the joint principles of collectivism and individualism and the double-tier management of complete responsibility for all production in the rural areas, new reforms must be carried out in the aspects of the collective methods, management, and nature

and goals of expenditure in the entire question of agricultural internal fund accumulation. To solve these problems, we should start from the characteristic of the current situation, namely, the new demands on the fund that have arisen from the development of the practice of the joint principles of collectivism and individualism and double-tier management in the rural areas.

III. Carry Out the Agricultural Internal Fund Accumulation in Accordance with the Requirements of the Practice of the Joint Policies of Collectivism and Individualism.

1. In order to carry out agricultural internal fund accumulation within a system of different cooperative economic models, several practical paths should be taken.

First, a proportion of the profit from the enterprises of the rural and township areas may be kept as payment toward the fund as "agricultural supplement" or as expenses for basic agricultural building. In the Lijiaping district, there are 5 rural areas, 1 township and 67 villages. During the last few years, the whole district has succeeded in building 110 public arenas. Of these 110, 6 were built by the district, 37 by the rural areas, and 67 by the villages. The units that were spent on these were 3,289, which was 12.4 percent of the whole labor force in the entire district. In the same district last year, 26,000 yuan were taken from the total profit of 513,000 yuan and spent on basic agricultural building, as the district's "important channel" of realizing the practice of the agricultural internal fund accumulation.

The second path of "direct channel" that should be taken in order to carry out the policy of agricultural internal fund accumulation concerns the amount that may be kept back for payment toward the fund by the management of the production teams of the rural workers. In the past, some of the village and rural workers' teams have followed the form of accumulation of using material goods as payment. Now, based on the system of bidding, the management of such enterprises as orchards, small-scale subsidiary factories, fish-breeding ponds and public fields have been given over to individual agricultural households for their own management. The cooperative units will not ask for additional apportions from these rural households. The village and rural worker teams can therefore consider all the capital as the accumulated fund and solve the problem of expenditure for increased production. In our county, 95.2 percent of our villages, namely 8,093 in number, use this method of collecting the agricultural internal fund accumulation and the total amount has reached 5,729 yuan. Thus, another "direct channel" is the collection of the fund from enterprises that are managed by the village and rural workers' teams.

The third way of collecting the fund is based on the list of items of expenditures that have been defined already. When there are special requirements in basic agricultural building that are either local in nature or supraproduction teams in scale, or when the specialized productions have any requirements, then we may use the voluntary basis and see who are prepared to pay for their own benefits. Then the items for the special

expenditure may first be decided at a meeting, the amount and payment to be made by the relevant rural households calculated. This method of collecting for the fund according to the special requests of the masses may be considered as a "temporary channel".

The fourth method of collecting for the fund is based on the family unit where the saving, consumption and management of the money is handled by its members. This "primary channel" of collecting agricultural internal fund accumulation aims at advancing the effect of fund accumulation within both the family and collective units. In this way, both expenditure that is necessary in a family's production enterprise and the increased capital for basic agricultural building within a district is saved, managed, consumed and invested by those who benefit themselves. Moreover, as regards fund accumulation within the family unit, the important effect of the "double household" should be emphasized. Compared with normal household accumulation, the "double household" has three advantages: first, in its positive result in collecting the agricultural internal fund accumulation and increased productive investment; second, in the increased income and the reinforced material foundation; and third, in the greater benefit from sound economic investments and the resultant better growth. Let us take team member Wang Liguang of the Taiping Production Brigade of the Qiliping Commune as an example in this context. Last year, he got over 700 yuan from his investment of the amount that had been allocated for the mixed feed for his sow and four pigs. Within this year, from his own investment of 4,000 yuan, he has built a pigpen that has eight rooms totaling 150 m². The building has corridors outside and exercise areas inside--a pigpen of truly high standards. This enterprise has thus become a prosperous family enterprise keeping its own pigs and mixing the feed for the pigs.

The fifth channel concerns the voluntary cooperative ventures and partnership investments of the fund that is necessary for production growth. This "important channel" seeks to actively encourage the movement of free money so that its investment in voluntary joint ventures of partnership investment will result in greater income. In this aspect, the fund accumulation of our county has tended to move in two directions: in the first case, the fund has tended to flow toward the capable hands in the labor, technical and management areas, thus resulting in the formation of economic cooperatives; in the second case, the fund has tended to flow toward enterprises in the rural and township areas, where the fund has changed from the control of rural households to rural enterprises where the fund is used to build new factories with bonuses from their profit distributed.

The sources of agricultural internal fund accumulation that have been discussed above are the five "channels" that are "primary", "important", "temporary" and "direct" in nature--all are ways of collection. There are three advantages from using a number of ways for collecting the accumulated fund. First, the positive effect and the roles of both the collective and the individual have been strengthened, and thereby the joint policies of collectivism and individualism and double-tier management will also be more effectively regulated in practice. Second, the rightful purpose of fund accumulation will be safeguarded when corruptive practices and usage that

might have occurred previously can now be stopped. Third, the practical process of managing the fund has now been simplified with the direct management of the fund by the rural households themselves.

2. Carry out a number of ways of managing agricultural internal fund accumulation within a system where both collective and individual management are practiced.

There should be rigorous control in the collective management of the accumulated fund. As an example, Huashan Village in the Guangying rural area within the last few years has gathered 26,000 yuan as the accumulated fund that has been paid by the two-level tier of the village and rural worker production teams. They have set up special accounts that are under the supervision of special personnel at the credit cooperatives for collecting payment for the fund. The smaller amount of payment would be supervised by the leaders of financial units while the accounting of the larger amounts would be studied and approved at meetings by the public. The procedures of regulated accounting, the publishing of these accounts and the double-tier management by the masses and the leaders are thus practiced by the village. In this way, the corrupt practices and wrongful usage of the fund by some of the masses and cadres concerned are, therefore, stopped and the managing of the fund in the "family of the public" has been successfully carried out.

At the same time, regarding the "temporary channel", when such procedures as the request for special payment and special personnel for managing the fund, and other necessary procedures, such as the appointment of accounting personnel, the study of the accounts, the publishing of the final accounts and their submission for the approval of the public, can all be accomplished.

3. To encourage rightful money circulation as well as advancing economic results.

In this regard, we should first pay attention to advancing the economic results of the collective accumulated fund.

We should see how the usage of the fund directly affects the positive and confident nature of the masses in their work of fund accumulation. In order to increase the results of the fund accumulation, we should study how the fund should be used in order to advance scientific technology and economic results in society and at the same time, we should avoid spending the fund in a rambling and ineffectually scattered basis. First, the fund should be spent on service items that may benefit the public. This year, the rural enterprises of the Lijiaping rural district decided to spend 10,000 yuan of its accumulated fund on acquiring nine Hunan No 5 type mechanical tillers. Therefore, with the agricultural service company set up, the problems of the shortage of plowing oxen as well as the low return of the fund have been solved. Such a policy has proven extremely popular with the masses. The second way of beneficially using the fund is to spend it on the masses' larger items of building. For example, 260,000 yuan of accumulated profit of the rural enterprises in the Lijiaping area was spent last year in three areas: on basic agricultural construction

in order to increase production; on helping to develop the people's commodity production; and on education in order to invest in the people's intelligence. The third way of beneficially using the fund is to spend on productive items that may be pioneering in nature. This year, the Lijiaping area spent 70,000 yuan of its accumulated fund on finding ways to develop and transform red clay, zisheng [4793 3932] shale and other items, thereby actively developing its members' enthusiasm to expand production. The whole rural area has also received 91,000 yuan from the 315 rural households as their income from all their enterprise productions. The fourth way of spending the fund is to use it on items with quicker returns in order to use the "snowballing" effect of increasing the accumulation. In Risheng Village in the Huangnikuang rural area, 11 of the rural workers production teams had developed 3 small coalpits and they then invested the profit from these pits in processing enterprises with small capital but large return, as well as in other processing factories, loading and unloading enterprises, transportation industries, building and shops--altogether 8 enterprises. The collective economy in the villages has thus been boosted, and the practice of investing in agriculture from economic gains has also been reinforced.

At the same time, we should also hold onto the principle that investment yields rewards and therefore we should actively encourage the agricultural workers to invest their accumulated fund in order to further increase their production.

The amount of the fund that is now controlled by the agricultural households has increased. According to the statistical figures from the agricultural banks, the total savings in 1983 of all the brigade members in our county reached 16,025,000 yuan, representing a 2.37-fold increase over the corresponding amount in 1980. Although part of these total individual savings may belong ultimately to agricultural internal fund accumulation, the rural workers themselves find it difficult to distinguish between the accumulated fund and consumption expenditure, and they frequently confuse the two in their accounting. Therefore, in order to increase agricultural internal fund accumulation, we should pay attention to greatly increasing the capital of the agricultural workers themselves and therefore to legislate beneficial economic measures in order to encourage the workers in their own fund accumulation. We may do this in three ways. The first is to consider investment in land as the entire responsibility of agricultural workers. Therefore, any expenditure on mines, weirs and smaller fields, as well as the maintenance of natural resources and land reforms within the district is entirely the responsibility of the agricultural workers. The rural households that benefit from these items of expenditure will spend their own income and labor in order to strengthen the maintenance and management of these items. The second way of encouraging rural household fund accumulation is to encourage their making the kinds of investment with greater returns. In this regard, the land should first be graded and evaluated before the agricultural workers begin to invest their own labor in improving the land. Therefore, the workers will be able to receive extra benefit from the land as a result of their own investment, and at the same time, the plundering way of managing the land should also be punished, in order to encourage the agricultural workers to invest in their land.

The third way of encouraging the rural households in their own fund accumulation is to greatly increase agricultural production as well as making available great quantities of suitable resources for production, especially in providing agricultural machinery that is small-scale, efficient, of high quality and inexpensive, thereby attracting the agricultural workers in investing their own fund accumulation toward increased production.

12740

CSO: 4007/154

16 April 1985

JIANGSU

NEW TRENDS IN RURAL COMMODITY CIRCULATION EMERGE

Beijing JINGJI RIBAO in Chinese 18 Dec 84 p 1

[Article: "New Trends in Commodity Circulation in the Rural Areas of Jiangsu: Sales Promotion System for Sideline Products Has Been Formed, Circulation of Various Commodities Developing Horizontally"]

[Text] Since this year, commodity production in the rural areas of Jiangsu has developed very rapidly. The following new trends of commodity circulation in the rural areas have emerged:

A Large Number of Peasants Have Entered the Circulation Realm; the Cities and Towns' Function as Distribution Center Has Become Increasingly Obvious; the Sales Promotion System of Sideline Products Has Formed Gradually: At present, over 290,000 peasants trade in the cities or are engaged in long-distant traffic, transporting goods for sales. Commodity circulation has broken through the restrictions set by the administrative regions.

In order to adapt to this trend, the cities of Nantong, Changzhou, Nanjing, Wuxi, etc. have run wholesale markets and trade centers for agricultural sideline products successively. The large and medium-sized market towns in the rural areas have set up trade warehouses or trust commerce organizations. A new sales promotion system for agricultural sideline products with a city as the center has gradually formed. There were such phenomena as retail sales of commodities being larger in the cities than in the counties, and larger in the counties than in the rural towns in the context of the increase in the total value of retail sales. The value of retail sales of consumer goods in the province this year increased 10.2 percent compared with that within the same period last year. Of this, the increase in cities was 17.7 percent; in cities at county-level, 14.7 percent; in rural areas under county hierarchy, 7.8 percent. In the rural areas, the increase in the large and medium-sized market towns obviously led first. In the marketing of commodities via the system of supply and marketing cooperatives, comparisons were made on the domestic net total value of retail sales of commodities of the 43 cooperatives at primary level of Jiangdu County in the first half of this year with that within the same period last year: the increase of the 3 major large cooperatives averaged 25.2 percent; the increase of the 7 medium-sized cooperatives averaged 9.1 percent; the increase of the rest of the 33 small cooperatives averaged 0.6 percent.

With the Influx of Industrial Products From Rural Towns to Cities, the Vertical Movement of Industrial and Agricultural Products Has Gradually Shifted to the Horizontal: With the prosperous industrial development in rural towns, the rural areas do not only produce basic products. The former traditional pattern--the reallocation of agricultural products to the cities and the transfer of industrial products to the rural areas--is undergoing changes. At present, many enterprises of the rural towns and the supply and marketing cooperatives at the basic level, besides setting up marketing outlets in the cities, are looking for markets in the rural areas of other prefectures at the same time, forming a network of new trading routes. For example, in Qidong County, the number of food-processing shops run by rural individual households or joint-households amounted to over 1,500. They produced a large quantity of vermicelli, dried tea leaves, beans with unusual fragrance, etc. Some of them were sold in the local rural areas or outside their prefectures; some of them were sold in the cities; some established contact with many operational units in Shanghai, Jiangxi and Hubei, or some of them were sold in shops set up outside their prefectures. In addition, many urban enterprises diverted their vision to rural town industry for commodity supplies, organizing the inflow of rural industrial products to the cities. For example, the department stores of Nanjing have ordered 500,000 pairs of cloth shoes, 760,000 pairs of manmade leather children's shoes and 20,000 pairs of infant shoes, etc. from rural town enterprises this year. All these products are in great demand in the cities.

The Commercial Sector Has Shifted Approach From Management to Management and Services; Services of All Kinds Are Developing Gradually: In line with the development of commodity production, the peasants not only require the circulation department to handle the buying and selling of commodities well, they also demand services of various types, such as the supply of market information, production technique, warehouse and transport, cultural life, etc. In order to meet all these requests, the supply and marketing cooperative system of the province linked up with 123,000 rural specialized households and operated jointly with over 9,300 economic integrations. Most of the cooperatives at the basic level set up the technology and service network and the information and service sections. Some of them loaned production-aid funds to the peasants.

Prices of Materials Remain Stable But Trend Active; This Year Due to the Transfer of Part of Price Control Power to Lower Levels, Commodity Exchange Becomes More Active and Market Prices Trend Active: According to the statistics of the provincial pricing bureau, although the retail commodity price index of the province in the first half of the year went up 3.16 percent compared with that within the same period last year, there were no big fluctuations in the markets. The supplies of most commodities were sufficient; the prices of many industrial products, e.g., cotton textile, watches, etc., were marked down or were lowered once so as to promote sales. Discipline in rural markets is in order; management and control are efficient, and the prospect of active trade has emerged.

12726

CSO: 4007/176

16 April 1985

JIANGSU

HAN PEIXIN ON JIANGSU'S GROWING RURAL PRODUCTION

OW211351 Beijing XINHUA Domestic Service in Chinese 0837 GMT 21 Mar 85

[By reporters Zhou Junzeng and Yang Futian]

[Excerpts] Nanjing, 21 March (XINHUA)--Last year, Jiangsu Province achieved another major turn in its history of economic development, that is, its rural industrial output value surpassed agricultural output value for the first time. So said Han Peixin, secretary of the Jiangsu Provincial CPC Committee, at a recent provincial rural work conference.

The first major turn in Jiangsu Province's economic structure occurred in 1970, when the province's total industrial output value rose from 22.5 percent of the combined industrial and agricultural output value in the early post-liberation period to 55.9 percent in 1970, with the total industrial output value surpassing the agricultural output value for the first time. In 1984, within the scope of the rural economy, the rural industrial output value reached 22.4 billion yuan, surpassing the combined agricultural and sideline production output value for the first time and representing 51.4 percent of the combined rural industrial and agricultural output value. Thus, the tempo of doubling the urban and rural economy has been effectively accelerated.

Jiangsu Province's rural industry has been developed on [the] basis of the accelerated agricultural development. The Jiangsu Provincial CPC Committee and the provincial government held that agriculture has consistently been the foundation of the national economy and that the entire industry, particularly rural industry, must be built on the sound foundation of agricultural development. With the province's total industrial and agricultural output value ranking first place for 2 years in a row in the nation, Jiangsu Province has consistently paid attention to agricultural production, particularly grain production. Last year, the province's agricultural development accelerated in an all-round way. The province's total output value in rural animal husbandry, sideline production, and fishery increased 15.8 percent over 1983, far exceeding the average annual growth rate of 9.1 percent in the previous 5 years. The output value of cultivated crops grew 6.3 percent, compared with an average annual growth rate of 5.6 percent in the previous 5 years. Total grain output reached 66.1 billion jin in 1984, an increase of 8.3 percent over 1983. Every one of the province's 64 counties registered historically high records, with 21 counties each increasing grain output by over 100 million jin annually.

On the basis of continued development of agricultural production, Jiangsu Province's rural industry advanced on a scale and at a speed not known before. Last year the province's rural industrial output value increased 104 percent over than in 1980, or more than doubled in 4 years.

CS0: 4007/293

JIANGSU

JIANGSU RURAL WORK CONFERENCE ENDS 23 MARCH

OW241347 Nanjing Jiangsu Provincial Service in Mandarin 2300 GMT 23 Mar 85

[Text] The 7-day session of the Provincial Rural Work Conference held by the provincial CPC Committee and the provincial government ended in Nanjing 23 March. The central topics for discussion at the conference were to study the guidelines of the National Rural Work Conference, seek ideological unity, sum up and exchange experiences, study policies and measures, and plan this year's rural work.

Through the study of documents, the analysis of situations, and the discussion of policies, the responsible comrades from the various city and county party committees and governments throughout the province further enhanced their confidence in consolidating and developing the excellent rural situation. The conference called on the rank-and-file cadres and the masses to actively and unswervingly plunge into rural economic reform centering on reform of the economic management system. It is essential that, in order to ensure success, they study new situations, sum up new experiences, and solve new problems with due prudence, meticulous planning, and practical work in an active and orderly manner.

Regarding readjustment of the production structure, the provincial CPC Committee called for enriching and improving primary industry, strengthening secondary industry, and vigorously developing tertiary industry. The Provincial CPC Committee also called on the various localities to properly handle the relations between agriculture and industry, between the part and the whole, and between immediate and the long-term goals. It is necessary for us to conduct education again on the fact that agriculture is the foundation of the national economy, and to prevent the mistaken idea that readjustment of agriculture's internal structure is tantamount to curtailing the grain acreage. The conference held that, hereafter, we must continue to implement the policy of letting a number of localities, enterprises, and peasants become well-off first. The well-off units must bring along those units which are lagging behind to achieve common prosperity. We must continue to adhere to the principle of showing concern for the state, the collective and the individual; to promote common development of the multitier economic structure with cooperation economy as the main body; and to further expand the role of market regulation under the guidance of state plans so that the development of the various trades and industries in the rural areas can meet the needs of markets at home and abroad.

The conference called for strengthening ideological and political work in the rural areas, for conducting education on situations and policies in a deep-going way, as well as education on building the country through thrift and hard work, and for guiding the peasants to understand and show concern for the overall situation and consciously wage struggles to realize the grand objectives of the party.

CSO: 4007/293

JIANGSU

JIANGSU EXPERIENCES FAST RURAL ECONOMIC GROWTH

OW221320 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 20 Mar 85

[Text] Jiangsu experienced the fastest rural economy development, the highest rate in overall rural economic growth, and the largest increase in income for the state, the collective, and individual peasants in 1984.

Compared with 1980, Jiangsu's total rural industrial and agricultural output increased 68.5 percent last year. The proportion of rural industrial and agricultural output in the total provincial figure rose from 41.4 percent in 1980 to 44.6 percent in 1984. The total output of county, village, and town industries increased 83 percent over 1980. The output of village and town industries more than doubled over the past 4 years. The rural economy's substantial growth has served as an impetus to the province's urban economy to accelerate its pace toward doubling its output. It has also reflected a striking feature in Jiangsu's economic modernization.

Last year, over 2 million people from the rural areas changed from farming to nonfarming jobs. The proportion of the province's village and town industrial output in the province's total rural industrial output increased from 45.2 percent in 1983 to 51.4 percent in 1984. For the first time, the rural industrial output surpassed the output of farm and sideline products. It marked an important turning point in the history of Jiangsu's economic development.

According to information accumulated during past investigations, the per capita income for peasants last year was 447 yuan, increasing 25.4 percent over 1983 and more than doubling that of 1980. While the peasants' income increased gradually, the collective economy has grown stronger and healthier, making increasingly larger contributions to the state. This shows that the multi-level economy with the cooperative economy as the centerpiece has had a relatively healthy development, and that the arrangement of the relationship between the state, collective, and individual is basically sound.

Party organizations, cadres, and the masses are currently summing up their experiences and taking a realistic view toward new problems arising under the new situation, and have taken effective measures toward the goal of achieving still greater results than last year in this year's various rural tasks.

CSO: 4007/293

JIANGSU

JIANGSU DEVELOPS SCREENED FISH FARMING

OW250813 Beijing XINHUA in English 0725 GMT 25 Mar 85

[Text] Nanjing, 25 March (XINHUA)--Screened fish farming is yielding an output of 11.85 tons per hectare in a lake in Jiangsu Province, according to the provincial Research Institute of Freshwater Aquatic Products.

This is the level of yield being achieved in developed countries, say experts from the Aquatic Products Bureau of the Agriculture Ministry, who have just inspected the latest results.

The success of screened fish farming is enabling China to develop and make full use of many of its lakes, according to the experts.

China's freshwater surface covers about 20 million hectares. Five million hectares are suitable for this type of development, but in the past, average fish output has been very low.

The latest high yield has been achieved in the shallow, 8,400-hectare Changdang Lake, on the lower reaches of the Yangtze River.

The research institute opened a screened pilot farm there in 1983. It reared many varieties of carp, using natural and mixed feed.

The farm produced 7,466 kilograms last year--70 times the average output of the lake in the past.

CSO: 4020/160

JIANGSU

BRIEFS

JIANGSU PEASANTS' INCOME--According to statistics compiled by Jiangsu Provincial Statistical Bureau, the net income of Jiangsu's peasants rose sharply in 1984, with per capita net income reaching 447.1 yuan, an increase of 90.5 yuan over 1983. The sharp rise of the peasants' income was attributed to the expansion of township and town enterprises and the increased number of peasants working for such enterprises. [Summary] [Nanjing XINHUA RIBAO in Chinese 14 Feb 85 p 1 OW]

CSO: 4007/293

JILIN

JILIN CIRCULAR ON AGRICULTURAL TASKS THIS YEAR

SK180510 Changchun Jilin Provincial Service in Mandarin 2200 GMT 16 Mar 85

[Text] On 12 March, the provincial CPC Committee issued a circular concerning several issues on current rural work, urging the party committees at all levels to put their work emphasis on grasping agriculture at present. A good job should be done in vigorously implementing the Circular No 1 issued by the Central Authorities in 1985; holding mass discussions on becoming wealthy; successfully signing sale and purchase contracts on grains, hogs, and other farm and sideline products; and in vigorously conducting farming preparations.

The circular states: The work of implementing and publicizing the Circular No 1 issued by the Central Authorities and holding mass discussions on becoming wealthy in rural areas throughout the province has been fully underway and is developing in depth. This is the emphasis of rural work and it must be carried out vigorously and successfully to the end. Leadership at all levels should pay attention to the following two aspects: 1. Attention should be paid to grain productive areas. It means that efforts should be made to help these areas readjust their production structure and process grains into other products so as to ensure income increases. 2. Attention should be paid to backward areas and poor households. It means that efforts should be made to adopt various measures and to devise various ways to help these areas and households do away with their poverty and become wealthy. In formulating recovery plans, efforts should be made to stress the principle of seeking truth from facts, proceeding from reality, and respecting the peasants' right of making decisions; and to prevent the formalism of resorting to coercion and commandism and doing things perfunctorily and superficially. The target of plans should be set in consideration of unforeseen circumstances, and measures should be realistic and dependable. Efforts should be made to base the plans on the masses and self-reliance. It is necessary for various circles to support the formulation of plans. However, plans should not be based on asking for subsidies from the higher level. The disposition of funds should be carried out mainly by the masses. The mass discussion on becoming wealthy should begin on 20 March and should end no later than the end of March so as not to affect spring farming.

The circular stresses: A good job should be done in signing contracts on sales and purchases of grains, hogs, and other farm and sideline products. Leadership at all levels should personally take charge of successfully carrying out investigations and studies and conducting pilot work and should strengthen

concrete guidance over their routine work. Signing a contract must be favorable to the development of grains and to success in readjusting the production structure in rural areas, and a contract must reflect both the interests of the state and of the masses. In the task of signing sale and purchase contracts for hogs, leading comrades of the party and government organs at all levels should do an earnest job with support from the departments of commerce, agriculture, and animal husbandry.

The circular urges localities to do a good job in vigorously conducting farming preparations. The sowing period this spring will be short and the temperature during the period will be low. According to the weather forecast, the accumulated temperature for crop growth this spring will be 40 to 70 degrees centigrade lower [as heard] than those of ordinary years, which will be same as those in 1969, 1972, and 1976. Low temperature and cold gravely threaten the province's agriculture. Agricultural production this year must be based on wresting a bumper harvest by combating disasters.

The circular points out: Our province should regard 1985 as a year when agricultural production can find turning point, and also as a year of crucial importance in achieving a new turn. The period from now to the beginning of spring farming is a crucial time for this year's agriculture. Therefore, the party committees at all levels should pay special attention to grasping agriculture at present. By no means should they be careless and negligent and miss the opportunity. Leadership and cadres should go deep into grassroots level units to carry out their work. Some localities where ideological fluctuation has been fairly serious among cadres since the readjustment of administrative systems should do a good job in mentally stabilizing these cadres. In no way should they make the organizational changes caused by renaming administrative zones to adversely affect the current work.

The circular urges the party committees of various cities, prefectures, autonomous prefectures, and counties to vigorously study the content of the circular immediately and to work out practical measures.

CSO: 4007/293

JILIN

BRIEFS

JILIN SPECIALIZED FORESTRY HOUSEHOLDS--Specialized and key tree planting households in Jilin Province afforested 67 percent of the province's total afforested area last year. The number of specialized tree planting households increased from 58,000 to 121,000. The province afforested 4.55 million mu of land last year, showing an increase of 900,000 mu over 1983. [Summary] [Changchun Jilin Provincial Service in Mandarin 2200 GMT 11 Mar 85 SK]

CSO: 4007/293

16 April 1985

LIAONING

LIAONING PROMOTING TOWNSHIP ENTERPRISES

Beijing ZHONGGUO XIANGZHENQIYE BAO in Chinese 16 Nov 84 p 1

[Article: "So That Provincial Township Enterprises May Enter the Advanced Ranks as Quickly as Possible, Liaoning Issues a 'Resolution to Accelerate Development of Township Enterprises'"]

[Text] In order to enable Liaoning township enterprises to reach a gross income of 20 billion yuan by 1990 and enter the advanced national ranks, on October 9, 1984 the Liaoning provincial party committee and the provincial people's government issued a "Resolution to Accelerate Development of Township Enterprises."

The major components of the "Resolution" include the following:

1. Extend the field of vision, relax actions and vigorously set up new enterprises. Constraints of region, profession, scale and form must be breached, all possible advantages must be brought into play, all possible fields must be tapped and we must vigorously set up new enterprises.
2. Vigorously reform, reorganize, improve and extend existing enterprises. Through sales of shares, extensions of shares, grants of extra dividends on money paid for shares, establishment of shareholder representative assemblies and other means, we must conscientiously transform existing township, and village team enterprises into cooperative enterprises worthy of the name.
3. Bring the roles of key cities and large industries fully into play and spur on township industrial growth. Provincial, municipal and county (district) leaders and departments of industry and communications must adopt a comprehensive viewpoint and formulate development programs to integrate urban and rural industries and products. They must implement industries that are suited to skills, decide on factories, decide on locations, pass on experience, give help, set an example and be cooperative.
4. Be flexible, relax policies and support the growth of township enterprises. Taxation should have protection of production and cultivation of tax sources in mind. Fixed asset depreciation rates can be suitably raised, depreciation funds should be earmarked for special purposes only and be protected and stored for future use and there should be bank supervision.

5. Strengthen planning and guidance of these enterprises and do a good job of supplying materials. The small and medium farm implements, mining construction materials, processed agricultural and sideline produce and so forth that are administered by township enterprise departments, as well as all state distributed materials administered by the centralized allocation ministry, should be drawn in full from the departments of goods allocations and given to the township enterprise management departments to distribute. The mine timbers drawn from the state and given to township coal mining enterprises, as well as the converted materials, subsidization policy, foreign exchange shares and sales-reward materials that accrue to rural nonferrous metal mining and gold mining production, are all centrally settled by the township enterprise management department and divided up among the enterprises. No department may pocket or remove and retain them. Each year a portion of provincially regulated materials should be selected to give to provincial township enterprise bureaus to distribute.

6. Open all avenues for people of talent and make every effort to raise funds. We must adopt diversified forms and encourage and guide the peasantry to invest and become shareholders. We must encourage urban and rural organizations, enterprises and public agencies to invest and become shareholders.

7. Exploit intelligence and vigorously import talented people. We must make full use of all sorts of talented people and employ them according to their abilities. Hereafter, every year we should allocate a certain number of specialized graduates from colleges and middle schools to enter township enterprise work. With regard to the technical personnel of township enterprises, their post titles can be appraised according to state stipulations and reviewed and evaluated by conference of the administrative departments above the county level along with the departments concerned, and they will enjoy the state stipulated technical authority.

8. Practice key support of outlying and poor districts.

9. Unclog channels and stimulate buying and selling. As soon as possible we must build up an economic information service organization to collect information. In addition, in order to protect legal operations, political and legal departments and departments for inspecting discipline should strictly delimit the demarcation lines between economic stimulation and economic offenses and between normal business and violations of law and discipline.

10. Strengthen the leadership work devoted to township enterprises. Party committees and government at all levels must make this a key item on the agenda and personally attend to the matter. They must perfect and strengthen township enterprise offices at all levels, and, based on needs, they can establish corresponding specialized companies and scientific research organizations.

LIAONING

BRIEFS

LIAONING FARM MACHINERY DEVELOPMENT--At present, peasants in Liaoning Province have 100,000 tractors, accounting for over 80 percent of the total in the province. Power equipment for irrigation and drainage owned by peasants has a total of 2.23 million horsepower. [Summary] [Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 14 Mar 85 SK]

LIAONING WATER CONSERVANCY--To solve the drinking problems of the people and domestic animals in the arid hills and remote villages in Liaoning Province, the Liaoning Provincial People's Government has decided to release 6 million yuan this year from the funds earmarked for building water conservancy projects to help Chaoyang, Jinzhou, Fuxin, Tieling, and six other cities sink 325 wells. This will solve the drinking problems of 160,000 people and 60,000 domestic animals. [Text] [Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 21 Mar 85 SK]

CSO: 4007/293

NEI MONGGOL

BRIEFS

NEI MONGGOL SNOWSTORM CALAMITY--Since the later half of February, a large number of pastoral areas in Xilin Gol, Ulanqab, Jirem, and Singan Leagues as well as in Chifeng City, have been hit by medium to heavy snowstorms on two or three occasions. The average accumulated snow among pastoral farms reached more than 6 cun and that of some farms reached more than 1 chi. [Excerpt] [Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 19 Mar 85 SK]

CSO: 4007/293

NINGXIA

LI XUEZHI'S SPEECH AT NINGXIA RURAL WORK MEETING

HK221155 Yinchuan NINGXIA RIBAO in Chinese 12 Feb 85 pp 1, 4

["Excerpts" of Speech by Li Xuezhì [2621 1331 2535] entitled: "Have An Overall Perception of the Situation, Profoundly Carry Out Reforms, and Promote the Sustained Development of Our Region's Rural Commodity Economy--delivered at the regional rural work meeting on 30 January 1985]

[Text] I. Our Region Is Facing a Favorable Opportunity to Accelerate the Development of Rural Commodity Economy

Under the leadership and concern of the CPC Central Committee and the State Council, our region has earnestly carried out the spirit of the 3d Plenary Session of the 11th CPC Central Committee, victoriously completed the first major reform in agriculture and accelerated the pace of the whole economic structural reform with the focus on the urban areas. With the urban and rural areas promoting each other and encouraging developments taking place in the political and economic areas, the present situation is the best since the autonomous region was established. In 1984, the total industrial and agricultural output value of the whole region was 2.85 billion yuan, a 14.4 percent increase over 1983 and the total national income was 1.75 billion yuan, a 14 percent increase over 1983. In viewing the whole situation, there are four characteristics: 1) Grasping the party rectification and promoting the economy have been carried out synchronously and the party rectification has been tested by economic results. By grasping reforms and increasing beneficial results new developments have been achieved in the economy. 2) By adopting the open door policy to engage in construction, introducing outside capital and technology, strengthening exchanges with other parts of the country and multiplying cooperations in various fields, the economy has been enlivened and is gathering momentum. 3) Encouraging respect for knowledge and talented people and learning about and applying science have already borne rich fruits. 4) With the two civilizations being grasped simultaneously, the stability and unity in politics and the upsurge in the economy, the people's living standard has been constantly improved.

The excellent situation in the rural areas in our region is mainly characterized by the following 10 aspects.

1. The readjustment of the production structure in rural areas has already had a good beginning. Under the condition that the growing area is 150,000 mu less

than that in 1983, the total grain output has still reached an all-time high of 3 billion jin. The outputs of forestry, animal husbandry, sideline production and fishery have also synchronously increased.

2. Historic breakthroughs have also been achieved in grass and tree growing. In 1984, the up-to-standard grass growing areas in the region covered 1.07 million mu, while the up-to-standard man-made afforested areas covered 1.49 million mu. In particular, the achievements in grass and tree growing in the mountainous areas in the southern part of the region was outstanding.

3. Exploitative production has developed more rapidly. The Yinnan new irrigation area has begun to take shape and its exploited area has already topped 380,000 mu; the exploitation and construction in the Yinbei new irrigation area is also being vigorously conducted; and the peasants in mountainous areas have established four "irrigation stations" in the well-watered area and the new irrigation area. In 1984, the area of newly-reclaimed wasteland was more than 30,000 mu.

4. A new situation of diverse and simultaneous development has already taken place in township and town enterprises. In many rural areas, the "rush for raising money to run factories" and the "rush for raising money to do business" have begun, and people are jointly running enterprises, household industrial and commercial industries, and service trades. In 1984, the total revenue of township and town enterprises in the whole region topped 340 million yuan, which is a 27 percent increase over 1983.

5. The policy of introducing outside capital and technology and strengthening exchanges and cooperation with other parts of the country has already made gratifying achievements. Fifteen prefectures, cities, and counties in our region have already established long-term friendly relationships with the prefectures, cities, and counties in other provinces and prefectures. At present, more than 500 economic and technological contracts have been secured with 14 other provinces and cities, more than 200 million yuan has been introduced, and over 300 technical personnel and teachers of various kinds have been employed from other provinces.

6. The development tendency of commodity production and circulation has become more and more excellent. The whole region has delivered and sold more than 900 million jin of commodity grain to the state, and the commodity rate is 30 percent. The output of beef has been increased by 68 percent over 1983. The total output of pork, beef, and mutton has been increased by 17 percent over 1983. The total social output value of the rural areas in the whole region was 1.35 billion yuan.

7. Specialized households and integrated bodies have displayed their roles as the main force in developing the rural commodity production. Last year, the whole region had more than 40,000 newly developed specialized households and 68,000 various specialized households, accounting for 13 percent of the total rural households; it also had more than 10,000 integrated bodies and 174 villages specializing in certain lines of production. A new setup of various economic patterns, various operating patterns, and multilevel economic development has taken shape.

8. The atmosphere of learning and applying science has become stronger. Last year, in the whole region, more than 19,000 people participated in various rural technological training courses and popularized over 30 new items of technology, some of which achieved notable results. Fifteen rural vocational middle schools have been established across the region and have become centers for training rural experts.

9. A relatively big increase has occurred in the living standards of the peasants. The per capita income in the rural areas of the whole region was 313 yuan, an 8.7 percent increase over the previous year. The savings of the peasants totaled 200 million yuan, a 42 percent increase over those at the end of 1983. The peasants' expenditures on living costs amounted to 63.7 percent of the total expenditure.

10. The contingent of cadres versed in economy and management and with originality and creativity is now growing. After the readjustment, the standard of the four transformations of the leading groups at every level has been increased.

Why is the situation so good? What are these experiences in rural work? First, the party and administrative organizations at every level have unswervingly carried out the party's policy of enriching the people. Beginning from 1982, the CPC Central Committee issued a Document No 1 in 3 successive years, and we have conscientiously implemented every major decision and policy of the central authorities and checked erroneous things of every kind; through the rectification and correction during the party rectification, we have straightened out the guiding ideology in professional work, and Comrade Hu Yaobang's directive that "Ningxia should be the first to stand up" has taken root in the hearts of the people and become a tremendous motive force; and proceeding from the reality in our region, we have successively formulated five policies and stipulations and greatly aroused the enthusiasm and creativity of the peasants. Second, we have grasped the breakthrough point of readjusting the guiding principles for production and the production structure. The whole region has set forth the task of establishing commodity production bases and regarded the development of commodity production as the main direction of attack in the development of rural economy. Third, ideological transformation has been used to promote the economic reform. Leaders at every level have broken through the old set patterns of only being "agricultural secretaries" and "grain secretaries," and adopted the method of integrating economic work with political work by going down to the grass-roots units, engaging in investigation and study, providing on-the-spot guidance and solving problems. Fourth, the building of the two civilizations have stimulated each other.

Faced with this excellent situation, we must keep cool-headed and should absolutely avoid becoming blindly complacent. We should see the difficulties in our progress, the disparities in our work, and the problems in leadership. The influence of "leftism" and the concept of sticking to old ways are still interfering with our reform and our blazing of new trails; the disharmony in the agricultural structure is to be smoothed out; the transformation of agricultural side-line products has just started, and the commodity economy is not developed; the foundation of township and town enterprises is weak, their technology is backward, and these enterprises are lacking in market competitiveness and do

not cover broad categories; in our work style we lack the spirit of carrying a task through to the end with the desired results and some measures are not effectively carried out; in the great topic of how to organize socialist commodity economy, we have little experience or methodology; and the labor productivity, commodity rate and living standard of the people are not increasing fast enough. Since finding out where we lag behind will give us impetus to make further progress, and by solving problems we can develop, we must be good at mastering the new situation, summarizing new experiences, and solving new problems.

In the new year, we are facing the second major reform in the rural areas. The "decision" of the CPC Central Committee on reform of the economic structure was adopted by the 3d Plenary Session of the 12th CPC Central Committee, and the overall unfolding of the economic structural reform with the focus on the urban economy will set higher new demands on the rural reform as well as provide new impetus for it. This year, in carrying out the economic work of our region, we should conscientiously and thoroughly implement the spirit of the decision of the CPC Central Committee concerning the economic structural reform and of Document No 1 (1985) of the Central Authorities, and preserve in taking agriculture as the foundation and organizing and arranging production according to the principle of "industry, agriculture, and trade." In rural areas, we should readjust the production structure according to the principle of "industry, agriculture, and trade," vigorously promote diversified operation and accelerate the construction of rural industry and township and town enterprises. A relatively major breakthrough should be made in developing the rural commodity economy and increasing the income of the peasants.

The principle of "industry, agriculture, and trade" is put forward in the light of the present conditions of the economic development in our region and the demands of the new situation and the new task, and is an important principle for guiding the rural economy in our region and the development of the whole national economy. Since "a country cannot be stable without agriculture" and "food is the first necessity for the people," the vast market for industrial raw materials and industrial products is in rural areas and it must be upheld that agriculture is the foundation of the whole national economy. In view of the present economic development, "a country cannot be rich without industry," we should put industry into a position of outstanding importance and use it to bring along agriculture and trade.

Strategically speaking, the focal point of the work of the whole party has shifted onto the economic reform focusing on urban areas, and the position of urban work and industrial economy have become more and more outstanding. The industrial foundation in our region is weak, and this seriously affects the coordinated development of the national economy. If there is not a major development in industry, the development of agriculture will be greatly affected, market will not be expanded, domestic and foreign trade will not be developed, and it will be difficult to realize the objectives of "quadrupling" the total annual output value of industry and agriculture and that "Ningxia should be the first to stand up."

In viewing the rural economy, without developed rural industries and township and town enterprises, there can be no developed rural economy. This is because:

1) Only when we have rural industries and township and town enterprises can agricultural and side-line products be converted and the production structure be rationalized. Grain, woods, and grass can be converted into meat, poultry, eggs and milk, and meat, poultry, eggs and milk can also become high-grade goods through refining processes. In the past few years, the production of milch cows in Wuzhong City remained at the level of several dozen head and could not be developed, but after milk powder processing factories were established, last year the number of milch cows increased to more than 1,200 head. In the past, rabbits and milch goats in mountainous areas died young, because there were no corresponding processing trades. If the processing trades can catch up, the mountainous areas will be greatly developed through raising rabbits and milch goats. 2) Only when we have rural industries and township and town enterprises can the natural resources be fully utilized. Our region possesses abundant coal, limestone, porcelain clay, pottery clay, plaster stone, quartzite, and so on, and only when the rural industries have been developed can these superiorities in natural resources truly become product superiorities and economic superiorities. The production of beet, melons and fruit in our region also forms part of our superiority in natural resources, but if we do not have a sugar industry or fruit processing industry, similarly these superiorities in natural resources will not become economic superiorities. 3) Only when we have rural industries and township and town enterprises can the value of agricultural and side-line products be multiplied and the income be increased. For example, in mountainous areas we grow a lot of potatoes and beans, and they are only worth several fen or a little bit more than one jiao per jin. However, if we can process them into starch and starch noodles, their value will become several times higher, and if we can process them into high-quality food or gourmet powder, their value will become several dozen times higher. Also, wheat straw is piled up mountain-high in plain areas and is burned to no purpose except as fuel. If we establish more paper mills, the value of the wheat straw will also be increased. We have an abundance of good quality red and black melon seeds and sunflower seeds in our region, but without a processing industry they find no market even as raw materials. 4) Only when we have rural industries and township and town enterprises can commodities be abundant. The commodity rate of agricultural and side-line products in our region is low, in particular some agricultural and side-line products with local and national characteristics are lacking competitiveness even in domestic markets let alone in the international market. As a result, their processing industries fail to catch up and the commodity quantities produced are small. Chinese wolfberry is a kind of key and readily marketable product among the industrial crops in our region. However, in the past its processing and packaging were backward and it did not have a unified trademark, thereby affecting not only its sale but also its value. After making great efforts, we have successfully trial-produced various Chinese wolfberry products in canned and powdered form and so on, and these products are now very popular in the domestic and foreign markets. 5) Only when the rural industries and township and town enterprises have developed can we establish the new-type relationship between town and country and reduce the gap between them.

the implementation of this principle of "industry, agriculture, and trade" is a new subject, and leaders at every level should focus their work on this principle and specifically carry it out. Organizationally, they should blaze a

trail for carrying out this principle and actively deploy cadres of various specialities; and they should center on this principle to organize consultation, train talented people, introduce technology, extensively collect information, and so on.

The national economy in 1985 is to be arranged in line with the principle of "industry, agriculture, and trade." Its main targets are: The total industrial and agricultural output value will be increased by more than 10 percent over last year; the total revenue of township and town enterprises will be increased by 30 percent; the total grain output will be stabilized at 3 billion jin (with 2.3 billion jin in irrigated areas and 0.7 billion jin in mountainous areas); the total output of oil-bearing crops will be increased by 10 percent; the total output of sugar will be 0.5 billion jin; the total output of Chinese wolfberry will be increased by 10 percent; the afforestation areas will be 700,000 mu, 50 million trees will be planted along roads and rivers and around villages and houses, and seedling-raising areas will be 45,000 mu; the new fruit-growing areas will be 30,000 mu, the grass-growing areas will be 700,000; the output of meat will be increased by 9 percent, the output of poultry and eggs will be increased by 76 percent, the output of dairy products will be increased by 14.3 percent, aquatic products will be increased by 7 percent; and the per capita net income of peasants will top 363 yuan, an increase of approximately 50 yuan. We hope that some counties and some townships will set a new record and that the increase of per capita income will be 100 yuan. Provided we go down to the grass-roots units to mobilize and organize the masses to work together, these targets can be realized.

II. Conscientiously Study the New Problems in the Development of the Rural Commodity Economy in Our Region

The characteristic of the first rural reform is the "responsibility system," which became successful once it was stressed; the characteristic of the second rural reform is "flexibility," once it is stressed the economy will be enlivened, and when the economy is enlivened it will flourish. With the reform developing in depth, we will encounter various new problems head-on. We should conscientiously study these new problems and constantly explore and blaze new trails in practice.

1. To Readjust the Rural Production Structure and Coordinately Develop the Rural Economy

In consequence of the influence of "leftism" and historic reasons, the rural production structure in our region is still irrational in spite of the readjustments effected over the years. Within the planting industry, the proportion of cereal crops is on the high side while the proportion of cash crops is low; within agriculture in a broader sense, the proportion of planting industry is rather high while the proportions of breeding industry, forestry and fishery are rather low; in particular the development of livestock breeding is slow. The township and town enterprises and various rural service trades are even weaker links. Various problems in practice indicate that the rural production structure must be readjusted to speed up the pace of rural commodity production and of enriching peasants and to realize the directive "Ningxia should be the first to stand up" and the quadrupling of the total agricultural output value of our region by the end of this century.

In general, the rural production structure in our region should be readjusted in the light of the principle of "industry, agriculture, and trade." As far as areas are concerned, mountainous areas should vigorously grow grass and trees, develop livestock breeding, and operate diversified township and town enterprises. Sloping fields of 25 degrees or more in mountainous areas should be returned to forestry and animal husbandry in a planned and gradual way; and if people there do not have sufficient grain ration as a result, the state can sell, or sell on credit to them. On the premise of maintaining the stable growth of the grain production, plains areas should pay special attention to the processing industry for agricultural, and side-line products, the construction material industry, transport service, mining industry and tertiary industry in order to develop agriculture, forestry, animal husbandry, side-line production, fishery, industry, trade, transportation, construction trade and service trade in a coordinated way. As far as the readjustment of the internal structure of three levels within the production structure is concerned, we should coordinate development of cereal, cash, and forage crops, mainly rely on increasing per unit area yield to increase the total grain output, pay attention to developing varieties with good marketability and consumer demand, and expand the growing areas of beet, oil-bearing crops, vegetables, melons and fruits, Chinese woldberry- and forage crops in line with local conditions. The plans and requirements for the establishment of 10 commodity bases put forward in 1983 should be continuously implemented and carried out. In the newly-developed irrigated areas in Yinnan we should primarily grow grass and trees, particularly fruit trees. Mountainous areas should vigorously grow grass to develop livestock breeding; similarly, plain areas should also grow grass to develop livestock breeding. All parts of the region should regard grass growing as an industry to work, and the livestock and goats belonging to collectives should all be evaluated in terms of money and distributed to and managed by every rural household. This year the regional CPC Committee and the people's government have decided to appropriate 50 million jin of grain at a unified purchase price to support the development of the livestock breeding industry. The fishery production in our region is "short-legged," many water areas suitable to fish farming have not been utilized yet, and even those water areas being used are mostly poorly-managed with low output. Therefore, we should actively promote the construction of fish-ponds for intensive breeding and develop fishery. By making use of the present good opportunity, we should, and moreover we can, speed up the pace of readjusting the rural production structure.

2. Abolish the System of State Unified Purchase and Sale and Remove the Control over Pricing of Rural Side-line Products

In readjusting the rural production structure, the fundamental thing is to act according to the law of value, expand the regulation by market mechanism, and gradually remove the control over pricing. Proceeding from the overall situation, the central authorities have considered together readjusting the rural production structure and removing control over the pricing of agricultural and side-line products, and regard this as the main content of the second rural reform. The state will adopt the policy of purchase of fixed amounts of the main agricultural products; the grain covered by the state purchase plan can be purchased by the state at prescribed prices in "reverse 3:7 proportion," and the grain not covered by the state plan can be sold by peasants in free

markets and its prices can float according to current market value. In cases where the market price is lower than the unified purchase price, the state will buy up at the protection price. This is a policy beneficial to both the state and the people and is a measure for enlivening the rural economy. Of course, as far as some areas are concerned, peasants in major grain producing areas will make less income from that part of grain sold to the state, but in view of the overall situation, the purchase and sale of grain will become more flexible and processing and turnover will become much faster; nevertheless, it will be advantageous to the peasants. The state assigned purchases of meat, poultry and eggs and vegetables will all be abolished and the control over their prices will be removed.

The reform of the pricing system is to comprehensively establish a rational pricing system, and the removal of the control over the prices of agricultural and side-line products is one aspect of the reform. Owing to the influence of factors like the change of relationship between supply and demand and so on, the price of a commodity will always fluctuate depending on its value, and the rational fluctuation of price is a good thing rather than a bad thing. We should use pricing, the most sensitive and most effective economic lever, to regulate rural economic activities in light of macroeconomy. However, pricing is something affecting the overall situation of the national economy and the people's livelihood, and it should be readjusted according to plans and step by step, making it become gradually rational. No locality, unit or individual should interpret the policy according to its own needs, or inflate and increase prices at will to cause people to feel uneasy. Pricing departments in every locality should do a good job in price supervision and seriously handle the cases of gravely violating the price policy. Illegal income resulting from arbitrarily fixing and increasing prices should all be confiscated without exception.

3. Develop Township and Town Enterprises and Make a Success of the Processing of Agricultural Side-line Products

The development of township and town enterprises is an important way to boost the rural economy and enrich the peasants, and is an important aspect of the readjustment of the rural production structure. The principles, policies, and measures formulated in the regional work meeting of township and town enterprises have been proved feasible in practice. This year, we should continue carrying out the spirit of this meeting and make new breakthroughs. First, we should vigorously develop the enterprises individually or collectively run by peasants. Second, we should devote a lot of time and energy to the reform of the existing enterprises, the tapping out of latent potential, and the increase of economic results. Third, we should follow the path of processing agricultural and side-line products to increase their value and comprehensive utilization. Fourth, we should do our utmost to increase quality of products, and create famous brand products and make them "key and popular" products and enhance their competitiveness. Fifth, we should continue to do well in the enterprise reform, in particular the separation of functions of government and enterprises and the establishment of the responsibility system of factory directors and various economic responsibility systems. These five points are the focal points in our work on township and town enterprises this year and should be earnestly grasped well.

In developing rural commodity economy, in particular in developing township and town enterprises, one of the major problems we shall encounter is the problem of capital. We should adopt the method of pooling capital and the method of extending loans with interest or with deducted interest to surmount the difficulty of capital shortage. Raising capital should mainly rely on the potential in rural areas, but the idle capital in urban areas can also be encouraged to flow into rural areas. We should properly remove the control over loans on a nongovernmental basis and permit private capital to extend loans with interest. Every enterprise can break through the bounds of ownership to absorb private capital as shares and distribute bonuses according to shares. Capital belonging to collectives can also be loaned to individual households or enterprises jointly run by peasants. Agricultural banks and credit cooperatives should also issue some loans to enterprises individually and collectively run by peasants. The stipulated policy of extending loans with deducted interest must be carried out to support the development of township and town enterprises.

4. Speed Up the Pace of the Exploitative Production and Constantly Open Up the New Production Areas

The greatest potential for our region in realizing the quadrupling in agriculture lies in vigorously promoting exploitative production. The natural resources in our region are abundant, and there are many natural resources to be developed and used. Our region has more than 11 million mu of hilly areas which are suitable for growing woods and grass, 30 million mu of grasslands where the livestock breeding industry can be developed, 3 million mu of underdeveloped land with irrigation conditions, 300,000 mu of water areas where fishery can be developed and an abundance of minerals and energy resources. We must approach the important significance of the exploitative production from the high plane of strategy, take a broad view, and go all out. All those measures which are beneficial to the development and utilization of natural resources should be allowed to be implemented and policies must be carried out. The wooded and hilly lands and grasslands should be completely distributed down to households through the contracted responsibility system, and all family plots should be assigned to the people and contracted by competent people. On the premise of protecting the natural resources, control over the development of small coal pits should also be removed.

Exploitative production needs more capital, more labor input, and a longer working cycle, and we should further relax policies and bring into play the initiative of the peasants in vigorously promoting exploitative production. The policies concerned formulated by the CPC Committee of the autonomous region and the people's government should be carried out and implemented one by one. Meanwhile, we should also further relax policies, and boldly assign those natural resources which the state and collectives are not able to develop to peasants or farmers to develop and award them with preferential treatment regarding tax revenue and capital. The "five categories of underdeveloped lands" must be assigned to competent households through the contracted responsibility system. We should actively encourage peasants to utilize local natural resources and establish small family farms, small pastures, small tree farms, forage processing factories, livestock product processing factories, small coal pits and small cement factories. Brooks in mountainous areas

the outflow of irrigation ditches in irrigation areas should be fully used to develop small hydroelectric stations run and used by the masses themselves. Units like farms, tree farms, pastures, garden farms and so on run by the state should speed up the pace of reform, resolutely eliminate the "practice of everyone eating from the same big pot" and the "iron rice bowl" and establish various contracted responsibility systems; and all of them should make up deficits and increase surpluses within this year, become economically independent and make their due contributions in exploitative production.

In exploitative production, we will focus our development on the "two 1 million mu" of new irrigation areas; this is an important concentrated regional project of exploitative construction. We must establish confidence and put together all our manpower, material resources, and financial resources to speed up the pace. Every department at the regional, prefectural, city and county level should vigorously support it and strive to display its beneficial results earlier.

5. Persist in the Principle of Introducing Outside Capital and Technology and Strengthening Exchanges with Other Party of the Country and Establish the New-Type Economic Relationships

We should further free ourselves from old ideas to speed up the pace of opening up the outside world and diversify our approach. All localities and units should boldly introduce technology, talented people, and capital from outside and adopt various forms to carry out economic cooperation and development and construction with other provinces and cities, in particular the cooperation with coastal provinces and cities with developed commodity economy. We should proceed from long-term interests and provide talented people who are willing to work in our region and those people who can provide consultation, technology, capital and equipment to our region with liberal wages and benefits. In opening up to the outside world, on one hand, we should introduce capital and technology from outside, on the other hand, we should force our way out. We should do what we can to establish our companies, enterprises, shops, and "windows" in other provinces, cities, and regions, in an effort to force a way out for those products with local characteristics like Muslim food, things for nationality use, agricultural and side-line products, industrial products, and handicraft industry products. Within the region, urban areas and rural areas should be opened to each other; we should encourage enterprises, institutions or individuals in urban areas to run enterprises in rural areas and provide talented people, technology, capital and equipment to rural areas; and in urban areas we should make things convenient for the peasants running businesses and service trades in urban areas and run well city and town rural trade markets.

We should follow the path of economic integration. In economic integration, we must uphold voluntariness, mutual benefit, independent business accounting and assuming sole responsibility for profits and losses. The integration can be multilevel and diverse. We can have permanent long-term economic integration, and also have temporary seasonal integration. We can have economic integration in the form of buying shares and sharing profits, and also have economic integration in the form of contracts. We can have intergration of enterprises among

rural areas, and also have integration between rural enterprises and urban enterprises. We should change the previous approach of "being small but complete" and "being big and complete" in running enterprises and follow the path of cooperation, integration, and specialized production to enable both the urban and rural economies to have greater development.

6. Vigorously Tap Intellectual Resources and Talented People and Promote the Development of Rural Economy

In the final analysis, the competition of commodity economy is competition of science and technology and talented people. Without talented people versed in commodity production and operation, the commodity economy cannot be developed, and even if it is developed, it will collapse for lack of competitiveness. Of course, we should have an overall view of the talented people. Those people who were trained by specialized schools and have mastered a certain specialized knowledge are called talented people; those people who have become experts through self-study and have truly mastered a certain skill are also called talented people, and those people who have learned skillful operational know-how and management and operational ability as a result of productive practice and operational activity are also called talented people.

The introduction of talented people is very important to the economic development in our region, and this work must be firmly grasped. As regards the intellectuals and people with varied expertise demanding to work in our region, we should firmly grasp the work of knowing and keeping in touch with them, and try to transfer those people who can be transferred as early as possible. Tapping and training local talented people is much more important. At present, on one hand we feel the lack of talented people, on the other hand we have not displayed the roles of the existing talented people well. There are many reasons: First, the question of understanding the major role of talented people in the four modernizations construction has not been completely solved. Second, people demand perfection in talented persons and dare not boldly employ them. Third, the influence of feudal ideology still exists and competent and capable people are envied and hated out of jealousy. Party and government leaders at every level should continuously eliminate the influence of "leftism," improve understanding, and boldly put capable people in important positions. They should be concerned with the political life as well as the material life of these people. Those policies and measures on intellectuals formulated by the regional CPC Committee and the people's government should continue to be implemented and carried out. We should also further study and formulate policies and stipulations regarding the training and introduction of talented people as well as putting them in important positions. Favorable treatment should be given to the talented people who ask to work in rural areas, and their terms of employment can be decided by employment units. Scientific research units and technical personnel can undertake projects through contracts, and people making outstanding contributions should be granted handsome rewards. From now on, leaders who can do a good job in discovering, training, and using talented people should be commended, and those leaders who deal blows to talented people should be resolutely investigated and punished. Rational transference of intellectuals should be enthusiastically encouraged, and when different opinions arise, the differences should be arbitrated and adjusted by the Bureau of Scientific and Technological Personnel.

In tapping intellectual resources and training talented people, we should carry out the principle of the state, collectives, and individuals working together. We should further strengthen the leadership over educational work, conscientiously do a good job in the teaching experience exchanges among existing universities, technical secondary schools, vocational schools, and secondary and primary schools, increase teaching quality, make a success of logistics and train a large batch of talented people. We should encourage in-service or out-service technical personnel and capable people in rural areas to run training courses and charge certain remunerations. In training talented people, it should pay attention to the combination of long courses and short courses. As regards training various kinds of talented people who are urgently needed in rural areas, we should mainly rely on agricultural secondary schools and short-term training, and we can also organize educated youth in rural areas to learn on the job. In addition to the traditional means of person-to-person teaching, we should also adopt extensive teaching means like correspondence courses, television, radio, and video tape courses, and so on.

III. Put the Development of Specialized Households on a New Level

Specialized households are forerunners in the production of rural commodities and the representatives of the advanced productive forces; the rise of specialized households has pushed open the door to getting wealthy through industry and has played a promotive role in the agricultural transformation from self-supporting and semi-self-supporting economy to commodity economy and in the transformation from traditional agriculture to modernized agriculture. The achievements of more than 200 advanced representatives of specialized households and integrated bodies commended by this meeting can fully prove this. At present, regarding what attitude should be taken toward specialized households, people still have various incorrect understandings and are still fettered by "leftist" thinking, outworn concepts, and old rules and regulations, and it still happens very often that the legal rights interests of specialized households are infringed upon. Leaders at all levels should thoroughly eliminate the influence of "leftism," have a deep understanding of the party's policies, give wide publicity to the advanced achievements of specialized households, embolden and bolster up specialized households, and truly accomplish political encouragement, technical guidance, sales service and guidance in the aspect of spiritual civilization to the specialized households.

We should effectively protect the legal rights and interests of the specialized households. This meeting has formulated "Several Regulations Regarding Vigorously Developing and Protecting Rural Specialized Households," which should be earnestly implemented and carried out by every locality and unit. On the premise of accepting the guidance of state planning and within the scope permitted by policies, laws and decrees, specialized households possess the decision-making powers of production and operation, which should not be intervened in by any units or individuals. In their operational activities, specialized households can make various economic contracts according to legal procedures, and these contracts cannot be changed by any one at will or torn up unilaterally. Places needed by specialized households to engage in production and operation should be arranged by township and town governments according to overall planning. When specialized households who will be responsible for their own grain

ration settle down in market towns to engage in industries and run businesses, public security departments and administrative and management departments of industry and commerce, should promptly help them complete the settling down and business registration procedures. When specialized households developing commodity production have difficulties with capital, banks and credit cooperatives should actively grant them loans. Those cases involving persecuting, robbing, stealing and threatening specialized households should be speedily investigated and concluded, and offenders punished according to law.

I would also like to put forth several demands on specialized households: First, I hope that you will trust the policies of the party and the development prospect of socialism, conscientiously study and carry out the line, principles, and policies since the 2d Plenary Session of the 11th CPC Central Committee and enhance your political consciousness. Second, I hope that you will earnestly study science and technology, boldly introduce science and technology from outside, enthusiastically spread science and technology, act according to the natural and economic laws and develop in the direction of variety and diversification. Third, I hope that you will dare to get rich with perfect justice and assurance. The richer, the better. You should not be afraid of gossip. You should go all out, make full use of your strong points, and avoid the use of the weak ones, just like the Eight Immortals crossing the sea, each one showing his or her special prowess and strive for the best economic results. Fourth, I hope that you will correctly handle the relationships among the three parties of the state, the collective and the individual and make more contributions to the state. Fifth, I hope that you will strictly abide by the policies and laws and decrees of the party and the state, straighten out the operational thinking, pay taxes according to the regulations and shun predatory operations, driving up commodity prices, deceiving fellow traders, tyrannizing over the market and infringing upon others' economic interests. Sixth, I hope that you will actively help your neighboring poor households get rich through industry and pass your experience and technology to them. Thus, with one man guiding one household and one household guiding one village, more and more specialized households will spring up and turn into specialized villages.

IV. Practically Strengthen the Service To and Leadership Over the Second Great Reform in Rural Areas

Document No 1 of this year, issued by the Central Committee, is another programmatic document following the three Document No 1 issued by the Central Committee in successive years. It has formulated 10 new policies which are still more acceptable to the peasants and pointed out the orientation of the further rural economic development. Party organizations at every level must conscientiously study, propagate, implement and enforce it. The regional CPC Committee decided to organize cadres of the four levels of region, prefecture, county and township to propagate this document in the countryside within a concentrated period of 2 weeks, making it known to every household and rooted in the hearts of the people. "Several Regulations Regarding Implementing and Carrying Out Document No 1 (1985) of the CPC Central Committee" was formulated in the light of the reality of Ningxia. Every area and every department must earnestly carry it out. Whatever violates the Document No 1 of this year issued by the Central Committee and the several policies and regulations of

the regional CPC Party Committee must be resolutely corrected. Every department and every area should, in the light of their own reality, formulate their specific measures for carrying out Document No 1 in their department and area. It is necessary to restudy and use the new guiding ideology and leading methods to exercise leadership over economic work. It is necessary to adopt measures, overcome the practice of "voluminous documents and numerous meetings," transform the work styles, go deep into the realities of life and carry out investigations and studies. The regional CPC Committee has decided that this year leading cadres of the three levels of region, prefecture, and county should respectively spend 2 months, 4 months and 6 months to carry out investigations and studies in grass-roots units, unceasingly increase their capability for leading economic work and creatively carry out the principles and policies of the Central Committee.

We should perfect and complete leading organizations and strengthen the building of leading groups. In the light of the standards for the "four transformations" of cadres, we should boldly promote those talented people who understand economics and are skilled in management and can open up situations to leading positions at every level, with the result of changing leading groups at every level from the "grain type" to the commodity economy type, from the "safety type" to the development type and from the "political type" to the economic service type. We should establish a sound and strict position responsibility system for cadres to reward well-performed people and punish the people who perform badly and to reward diligent and punish the lazy.

We should make great efforts to make a success of socialized services and speedily establish multilevel service networks. Every trade and every industry and administrative organization at every level should change track and decide their directions for doing good service work for the development of commodity economy. At present, we should focus on grasping well the following three services:

1. The circulation service. It is necessary to vigorously develop the specialized households of transportation and all nongovernmental circulation service organizations, resolutely change and transform the small state-run businesses into collective businesses to be run through contracts or to be rented and run by individuals, do a good job in the reform of supply and marketing cooperatives by truly making them run by the local instead of being state-run apply the law of value to regulate commodity circulation, and launch various forms of joint operations like production, processing, acting as purchasing and commission agents, and so on.

2. Technological service. It is necessary to grasp well such technological services as the breeding of improved varieties, protection of plants, epidemic prevention in livestock and poultry, and in particular technological services in the aspects of foodstuffs, forage and agricultural and side-line products processing as well as in the building industry and building materials, development of energy resources, and so on. Scientific research units, universities and colleges, factories and departments concerned should all establish close contacts with rural areas and do a good job in technological consultation, promotion, and transference; and with country promotion service centers as

focus points, they should establish a sound technological service system at the four levels of township and intertownship technological service stations, technological exemplary spots in administrative villages and technological exemplary households in natural villages. It is necessary to gradually institute paid service or partly paid services to fully mobilize the initiative of technological personnel.

3. Information service. The information work in our region still remains in the initial phase. It is necessary to establish a better-quality information contingent to specially engage in information work, break through the barriers between trades and among departments and regions at different levels and extensively collect information and materials to be speedily provided to rural areas after differentiation.

We should make a success of the party rectification by carrying it out while making corrections, use the party rectification to promote the economy and reform, and use the economic results to inspect the party rectification. It is necessary to further eliminate the influence of "leftism" and the concepts of following the beaten path, straighten out the guiding ideology in professional work, and deeply and thoroughly carry out the education of negating the "Cultural Revolution." We should resolutely check the unhealthy tendencies where by party and government organs and party and government cadres make use of their positions to do business, run enterprises wildly drive up commodity prices, extravagantly eat and drink, host dinner parties, send gifts and seek personal fame and gains through their powers, and the unhealthy tendency of serious bureaucratism. Those cases involving people using various means to entrap, block, and blackmail peasants should be investigated one by one and offenders should be seriously dealt with. Some unhealthy things arising in the rural reform should be promptly corrected and should not be allowed to spread unchecked. We should educate cadres to establish the ideology of whole-heartedly serving the people and the four modernizations. Party organizations at every level should pay attention to developing party members among specialized and civilized households and strengthening the party construction in rural areas.

We must persevere in grasping both the material and spiritual civilizations. At present, we should continue to carry out the construction of "civilized villages," grasp well the activities of soldiers and civilians working together and "five-good families," and run well the "homes of young militiamen," cultural clubs, and evening schools. We should educate the peasants in patriotism, collectivism, and socialism, and teach them to get rich through industry and handle well the relationships among the state, the collective and the individual. Party members and Communist Youth League members in the rural areas should take the lead in doing good deeds and conveying warmth to households enjoying the five guarantees, members of revolutionary martyrs' and army men's families, orphaned and aged households and families with material difficulties. Those advanced collectives and individuals springing up in the socialist construction of spiritual civilization in the rural areas should be cited and encouraged. We should continually grasp well the work of family planning. The Communist Youth League, the women's federations, militia and other mass organizations should all put stress on the promotion of the rural reform and fully display their initiative and creativity.

The year 1985 is the first year of the overall reform focusing on the urban areas and is a year of great development for the rural commodity economy. We must emancipate the mind, fill people with enthusiasm, do well the restructuring, readjustment and transformation in a down-to-earth manner, further develop the commodity production and strive for the strength of the country and the prosperity of Ningxia as well as the wealth of the people!

CS0: 4007/293

SHAANXI

SHAANXI GOVERNMENT ISSUES NOTICE ON SPRING FARMING

HK210325 Xian Shaanxi Provincial Service in Mandarin 2300 GMT 20 Mar 85

[Excerpts] The provincial government issued a circular on 20 March on doing a good job in spring agricultural production. The circular called on the province to continue to get a good grasp of grain production, vigorously promote diversification, and make a success of all work for further invigorating the province's rural economy. The circular made the following main points:

1. Continue to eliminate leftist and outdated concepts, change the traditional habits of just growing one crop and practicing closed-style operations, and arrange cropping in light of local conditions and market needs. We must re-adjust the cropping pattern in a planned way.
2. Continue to get a good grasp of grain production. In view of the fact that the amount of grain available per person in the province is still very low, and the difficulty of selling grain in a few places is no more than a sign of temporary surplus at a low level, we must absolutely not relax grain production but pay attention to stabilizing the grain area and ensuring steady growth in grain output.
3. Make all-round arrangements by taking all factors into consideration, and do a good job in spring forestry and animal husbandry.
4. All departments, trades, and sectors must do a good job in providing a variety of services for spring production.
5. Strengthen leadership over spring farming. The counties must immediately work out for the grassroots units the grain and cotton purchase orders from the state. The grassroots units in the townships and villages must work out the orders for the households in accordance with the set targets.

The circular stated in conclusion: The current rural situation in our province is very good. The leaders at all levels must keep clear heads and do their work in a thoroughly sound and careful way. They must guard against and oppose bad work styles such as indulging in boasting and formalism and putting on showy airs. We must take effective steps to make proper arrangements for the masses' living and production difficulties in a few disaster areas.

We must base our work on fighting natural disasters to reap a bumper harvest. We must make full preparations for possible spring drought, frost, and so on.

SHANDONG

SHANDONG REPORTS DEMANDS FOR MEANS OF AGRICULTURAL PRODUCTION

SK250934 Jinan DAZHONG RIBAO in Chinese 9 Mar 85 p 2

[Text] According to investigations and analysis of departments concerned, four conspicuous trends will emerge in the province's supply and demand for means of agricultural production this year.

1. Demands for farm machines will continue to increase. In particular, there will be a fairly large gap in the supply of 12- and 24-horsepower tractors, auxiliary farm tools, drainage and irrigation machines, small power machines and processing equipment, which will fall short of demand. According to a rough estimation based on investigations of typical cases, demands for small machines used in processing grain, oil and animal feed will double that of last year, making the shortage more acute.
2. Application of chemical fertilizer will decline. The province's demands for chemical fertilizer this year will be 6 percent less than the amount actually sold last year. Of which, the demands for nitrogenous fertilizer will drop by 4.4 percent and those for phosphate fertilizer by 49.5 percent.
3. Demands for medium-sized and small farm tools will go up, and sales will be about 20 percent more than in last year. The cycle for renewing medium-sized and small farm tools is, in general, 3 to 4 years. A considerable number of peasant households have to renew their farm tools this year. Calculating on the basis of the 18.5-percent renewal rate, some 44 million farm tools will be purchased this year, 8 million more than the amount bought last year.
4. Demands for unrefined oil [yuan liao you 0626 2436 3111] will increase sharply. By the end of last year, total horsepower of the province's farm machines had reached 22 million, and it will increase to 30 million by the end of this year. Therefore, demands for diesel oil, gasoline and engine oil will also increase. On the basis that the demand for diesel oil is 60 kg per household, the province needs a total of 690,000 tons, some 300,000 tons more than the total supply of diesel oil, gasoline and engine oil last year. The shortage of supply will become all the more acute.

CSO: 4007/293

SHANDONG

WATER, SOIL CONSERVATION IN NORTHWEST SHANDONG EXAMINED

Xian SHUITU BAOCHI TONGBAO [BULLETIN OF SOIL AND WATER CONSERVATION] in Chinese No 6, Nov-Dec 1984 pp 1-4

[Article by Lu Hong [4151 3163]: "Do a Good Job in Water and Soil Conservation and Build Up Ecological Agriculture"]

[Text] The Shandong Provincial CPC Committee and the provincial government have set the goal of transforming northwest Shandong into the province's grain and cotton production center and an integrated processing center for agricultural by-products by fulfilling the Sixth 5-year Plan 1 year ahead of time and striving to double our total industrial and agricultural output value, also one year earlier than scheduled. This goal was based on the general tasks and targets put forward by the 12th National Party Congress, the documents of the Fourth Shandong Provincial CPC Congress and the overall economic situation in the province. This is a daunting task involving a massive amount of work. If we manage to do a good job in soil and water conservation and establish a viable agroecosystem, we will have laid a firm foundation for the realization of our goal.

1. The Importance of Water and Soil Conservation on the Plain

Regulations promulgated in 1982 by the State Council points out, "The prevention of water and soil erosion and the conservation and rational utilization of water and soil are basic to the transformation of hills, villages and deserts, the harnessing of rivers and streams, the reduction of damages due to flooding, drought, sandstorms, and the establishment of a sound ecology." At present, sandstorms have become one of the world's most serious problems and receive a lot of attention in many nations. Sandstorms also constitute a major threat in China which, with its 1.9 billion mu of desert, or 13.2 percent of total size, have been classified as a "highly desertifying area" in the "Outline on the Protection of Natural Resources of the World" issued by the United Nations.

Sandstorms in the plain take their toll on top soil, crops and fertility. They also lead to desertification and the silting of rivers and lakes and even threaten people's livelihood and existence. According to investigations by relevant departments, wind-drift sand covers 25 million mu in the province and is concentrated in five prefectures and municipalities on the Huanghe plain

in northwest Shandong. The Huanghe River burst its banks many times over the centuries. This historical fact coupled with the longstanding problem of mud and sand deposits have resulted in complex land forms. For a long time, water and soil erosion has been out of control, increasing the susceptibility of our land to drought, flooding, sandstorm, dust and alkali and impeding agricultural development. In many places vulnerable to sandstorms, the air is laden with sand when it is windy. At the end of a sandstorm, the land changes shape. Seedling protection during spring sowing can be a trying experience. Some wheat seedlings get buried under sand or blown away. Even repeated sowings may not ensure the survival of a crop. As people in these places put it, "The seedlings are green in January and turn yellow in February. But come March and we have to plant the sorghum anew." A gale-force wind hit Lianwu village in Weimin County in 1982, killing 3,500 mu of sweet potato seedlings and 1,500 mu of cotton and necessitated replanting twice 3,000 mu of peanuts. Studies show that 13.45 million m^3 of sand and mud are deposited each year in the four major rivers on the plain, Tuhe, Majia, Zhuzhao and Hongwei, reducing their ability to check flooding and prevent waterlogging. Apart from the alluvial action, water and soil erosion and sandstorms also constitute another important reason. A survey was conducted by Dongyingshi on three small drainage areas including 18 households in Kenli County and Keili Township. Their combined area is 35.8 km^2 and the total length of the rivers is 209.2 km. A total of 3.374 million m^3 meter of soil was eroded in 8 years, including the equivalent of 1,172 tons of chemical fertilizers, or 40.7 kg. per mu. Consequently, water and soil conservation is a major task with implications not only for the national economy, the people's livelihood and the well being of future generations, but also for the doubling of the agricultural output value and the improvement of people's standard of living. Water and soil conservation has not been properly handled in some localities in the plain, mainly because leading cadres do not completely understand the situation and assume that soil conservation is a problem only for the hilly areas and that people in the plain have nothing to do with it. We must fully appreciate that water and soil conservation is a massive, long-term and urgent task, increase our sense of responsibility and come to grips with it conscientiously.

Comrade Hu Yaobang has pointed out, "In guiding the nation's agricultural production, we must make two changes. First, instead of being concerned only with grain production, we must not go in for diversification too. Second, we must strive for water and soil conservation as well as the construction of water conservancy works, in order to improve the vegetation cover of the land." These two changes must be effected if we are to keep up the momentum of agricultural development in northwest Shandong and double agricultural output value earlier than planned. On the basis of rising grain and cotton output, we must engage in diversified operations and rural and township enterprises and pay attention to afforestation, water conservancy, sandstorm control and the alteration of production conditions. The experience of many units show that afforestation is an effective windbreaker and sand fixer and constitutes a viable approach towards water and soil conservation. After Yincheng and Xin County decided to concentrate on forestry as their primary industry and went in for tree-planting in a big way, they have reaped substantial ecological and economic benefits in terms of sandstorm control. The Shayuan Brigade in Pingyuan County spent 5 years planting 200,000 trees and 200,000 clusters of

twigs along ditches, canals and roads in 387 mu of land. Today it has 4,000 m³ of accumulated lumber and the annual increase in value averages 400 yuan per mu. Not let's assume that canals, ditches and roads take up 60,000 mu in each county. If they are completely afforested, they will bring in extra revenue to the tune of 1.1 billion yuan. Because a vast expanse of the plain in northwest Shandong is vulnerable to sandstorms, the potential for tree planting and grass growing is considerable. The integration of forestry with animal husbandry promotes the development of commodity production as well as protects the land from the ravages of sand and wind and conserves water and soil. Qihe Pasture makes 70,000 yuan a year by growing over 1,500 mu of forage grass, including shadewang. Furthermore, it puts the grass to good use by feeding it to 120 cows which, in turn, produce 500,000 catties of milk, netting an annual income of 100,000 yuan. If it goes in for dairy products processing as well, it can boost its income much higher. Weimin County too has done well by planting willow branches in sandy soil and "intercropping willow branches with an oil-bearing crop and grain." Its willow branches and willow stems are sold in more than 10 provinces and regions throughout the country. Jiangliu village alone produces 100,000 willow branches and 200,000 pieces of willow trunk valued at 300,000 yuan. The Zhaoji Brigade in Lianwu Village which we visited intercropped 700 mu of willow for 6 to 7 years. Five years later, it earned a total of 30,000 to 40,000 yuan from the sale of willow branches, or 100 yuan per person. If they grow peanuts between rows of willow branches, they can harvest an extra 300 to 400 catties per mu. Of the more than 40,000 mu in the county vulnerable to sandstorms, as many as 113,000 mu were intercropped with willow and grain at one time. Not only does this practice check the wind and secure the soil but it also generates additional income. Practice tells us that as long as we take local conditions as our point of departure, work around them, concentrate on areas or priorities that can make a difference and engage in integrated treatment firmly, we will be able to achieve fairly good economic and ecological results and successfully conserve water and soil in sandstorm-prone areas in the plain, in order to lay a firm base for the continued development of agricultural production and the quadrupling of our agricultural output value earlier than planned.

2. Further Liberate Our Thinking and Relax Our Policy

Events in northwest Shandong in recent years prove that water and soil conservation, like agriculture, depends on a good policy. We must seriously and fully implement the "Forest Law" recently passed by the standing committee of the National People's Congress and the "Circular on Helping Impoverished Areas Change Their Outlook As Soon As Possible" issued by the Central Committee and the State Council. True to the spirit of these documents and in accordance with the principle of turning over profits to the people, we should continue to apply the relevant policies flexibly, revising or relaxing them where such actions are justified. In particular we must adopt a variety of approaches to encourage the state, collectives and individuals to join in a concerted effort to check sandstorms and reverse the trend towards water and soil erosion.

We must turn over on a long-term basis our immense stretches of desolate sand banks as soon as possible. One possibility is to transfer them to

peasants as their private beaches. The peasants will be free to develop them for an extended period of time, pass them from generation to generation, make them over to a third party and hire people to work on them. Another possibility is to turn them over to peasants from places on a contractual basis with the guarantee that the beaches will stay in their possession for 30 or 50 years. Within the framework of a unified plan and standards, we can divide into tracts and sections the forest belt, forest network and land intercropped with grain and trees and allocate them to individual households who will then be responsible for cultivating their own allotments and reaping the benefits as well. As for the existing collective forest belts, forest networks and land intercropped with grains and forest and trees along ditches, canals and roads, they can be transferred to households and groups. The increases in value can be distributed proportionately with the bulk going to commune members and the rest of the collective. Collective economic forests such as orchards can be farmed out to specialized households or specialized groups skilled in management for a period not shorter than 30 years. We must be courageous enough to reform and experiment and determined enough to change an unreasonable management system. As long as ownership remains unchanged, tree farms, nurseries, grass farms and pastures in sandstorm-prone areas can be transferred to employees for them to operate as family undertakings. Trees along state-managed canals and roads should be transferred to households in order to turn profits over to the people and mobilize their enthusiasm for water and soil conservation. Vice Premier Wan Li [8001 6849] has said, "It is a developmental task to make barren hills and desolate sand banks green with vegetation. It is an arduous job, requires a lot of investment and bears fruits only slowly. We must mobilize the masses and rely on them to accomplish it. If we fail to sort out the integration between laborers and economic benefits on the policy level, our work will become that much harder." To succeed in water and soil conservation, we must also rely on the power of the masses, encourage their spirit of self-reliance, pool their resources, allow other parts of the country and outside units to join us in our development by buying stocks and use foreign capital in order to expedite our water and soil conservation work and our campaign to control sandstorms. Xin County afforested over 30,000 mu in 1982 using foreign capital. Some of the better developed trees which are approaching closing have already made themselves useful as a windbreak and sand-fixing forest. We must warmly support the flurry of special households and key households which have emerged in water and soil conservation by giving them political encouragement and economic assistance and conscientiously helping them solve their practical difficulties so that they can be a vanguard in our battle to tame desolate sand banks and become an even more effective model.

3. Take Comprehensive Measures To Control Sandstorms Scientifically

To do a good job in soil and water conservation on the plain in northwest Shandong, we must take into account the special features of the sandstorm-prone areas and follow these principles: "dual emphasis on prevention and treatment, integration of treatment with management, relevance to local conditions, overall planning, comprehensive treatment and promoting what is beneficial and eliminating what is harmful." We must firmly continue to

emphasize the planting of an extensive network of windbreak and sand-fixing forests, develop a forest network along ditches, canals and roads, and combine afforestation with irrigation and grass growing, biological measures with engineering techniques, soil improvement with flood control and wind erosion control with soil erosion control, and gradually build up an integrated windbreak and sand fixation control system so that the ecological environment can be self-sustaining.

A realistic control plan is essential to successful water and soil conservation. Vice Premier Wan Li has noted, "Solving the problem in an unplanned, haphazard way will not work." A plan gives us targets to strive for and points up the direction we should follow step by step. Before we draw up a plan, we must understand clearly the formation of sandstorms and their dynamics and tailor our measures and determine our strategies accordingly so that our plan conforms to the laws of economics as well as of nature. Clearly, the causes of water and soil erosion in northwest Shandong are wind, water, fine sand and an uneven land surface. But since conditions naturally vary from locality to locality, we must base our planning on a properly conducted reconnaissance survey. The plan will be a multi-unit effort. Under the leadership of governments at all levels, we must organize the participation of cadres and technical personnel in such relevant departments as agriculture, forestry, water conservancy, planning, scientific research and soil and water conservation etc. to study the problem and draw up a plan for action which will be incorporated into the overall agricultural development plan.

Comprehensive and long-term measures are essential to water and soil conservation. The control of sandstorms and the perpetuation of the benign agricultural circle are a herculean task requiring consistent, long-range efforts that take in canals, ditches, farmland, forests and roads. Such efforts will pay handsome dividends by promoting the comprehensive development of our agriculture, forestry, animal husbandry, industry and commerce. Combining agriculture with forestry and water conservancy, the Liutun village in Guan County went in for tree planting, grass growing and animal husbandry. By removing mounds, reclaiming depressions, both of which have helped level the land surface, improving soil, using more fertilizers, drilling wells, building stations and developing irrigation, it has transformed itself into a thriving socialist village from an impoverished backwater where the air was always choked with wind-drift sand. After the third plenary session of the Central Committee, it took realities as its point of departure and readjusted its agriculture structure. As a result, it has scored three major victories in cotton production, forestry and animal husbandry and promoted the development of commodity production. Its total agricultural output value rose to 3.35 million yuan in 1983 from 1.91 million yuan in 1978 and its per capita income was 1,041 yuan. Today every family in the village has moved into new housing, the streets are newly paved and it has its own cinemas, teaching buildings, nurseries, clinics and homes for the elderly. The village has basically discarded its former impoverished, backward look, setting an example for the sandstorm-prone areas on how to eliminate poverty and enrich the people. Xin County, too, provides a valuable experience in comprehensive control. Since 1979, it has organized the masses to remove sand mounds, level land, undertake water conservancy works, plant trees, etc. in the

Lianpian area in Ma'xi sand-dune. Within 2 years, it has removed 150 sand mounds of various sizes, leveled 200,000 mu of land, afforested 37,000 mu of sandy land, repaired 43 roads with a combined length of 800 li, intercropped 20,000 mu with crops and tung trees, sunk 310 motor-pumped wells and dug 24 irrigation canals with a total length of 300 li. As a result, the county has tentatively contained the damages wrought by sandstorms, improved production conditions and promoted agricultural production. Particularly successful are the 10,000 mu of fast-growing, high-quality and high-yield forests managed by the Ma'Xi Tree Farm. Because of the farm's efforts to control sandstorms, conserve water and soil and regulate the microclimate in the fields, these forests have produced visible economic benefits and more than paid their way: the income from nursery stock alone reached 29,000 yuan last year. It has pioneered a new approach to expediting sandstorm control on the plain.

To succeed in water and soil conservation on the plain, we must raise the standard of scientific management. The masses have accumulated a fund of experience from their many years of practice. Such experience must be earnestly summed up as soon as possible. Particular attention should be paid to the popularization of experiences involving small investments and quick and good results. To obtain optimal results, we must also be adept at identifying the plan that is best suited to the practical conditions of our own unit from among the mass of successful experience accumulated through the years. At the same time, we must mobilize scientific research departments and personnel to do a good job in technical training to raise scientific control standard across the board.

4. Strengthen the Leadership of Water and Soil Conservation Work

As water and soil conservation is a multi-disciplinary task, party committees and governments at all levels must comply with the "Regulations on Soil and Water Conservation Work," include it in their agenda and strengthen leadership. They must realistically analyze the existing water and soil erosion situation in their own localities and the extent of damages. They must have the courage to ask questions and expose problems so that everybody will get to understand the seriousness of the situation and the necessity to bring it under control.

At present, we must go all out to set up or perfect water and soil conservation departments at all levels as an organizational guarantee for doing the job well. I have discussed the problem of organization in my speech to the provincial working conference on water and soil conservation last year, in which I expressed the hope that everybody would exert himself to meet the demands contained in the "Regulations on Water and Soil Conservation Work" and Circular No 42 issued by the provincial CPC committee in 1982, and work hard to make sure a sound organization is in place by the end of 1984. The personnel for these offices can be transferred from agricultural, forestry and water conservancy departments. As for their staff costs and operating expenses, they have been taken care of in last year's budget prepared by the Ministry of Finance.

Good planning is essential. Last year the province began giving instruction on the reconnaissance survey on and planning for key counties. We must make sure the preliminary work is completed by year end so that the survey and planning can proceed next year. The province's Planning Commission has incorporated water and soil conservation planning into the "Seventh 5-year Plan" as a special plan. All localities must take it seriously and do a good job so that it may be included in the national economic plan at all levels.

All localities are to identify their own model. Every municipality must come up with a model. So must every county. A conference will be held each year at which the model will help advance water and soil conservation work, further our understanding of the problem as it affects the plain, increase our confidence in tackling it, and open up a new phase in water and soil conservation work.

Leading cadres at all levels must come to grips with the problem conscientiously and realistically and be efficiency-minded and results-oriented. They must develop a deep sense of responsibility to this revolutionary undertaking. At the same time, they should be ready to roll up their sleeves and become practical "doers." Every step must be planned and inspected to make sure it is thoroughly carried out. Our objectives in tackling the sandstorm areas in the plain are to effect minor changes in the first year, make a difference in the second year, and to transform the area in the third year. Only thus can we step by step speed up the pace of rural economic development in northwest Shandong and contribute to the quadrupling of agricultural output value ahead of time, the enriching of the people and the revitalization of Shandong.

12581

CSO: 4007/186

SHANDONG

BRIEFS

SHANDONG GRAIN PRODUCTION--Shandong Province achieved great results in grain work in 1984. It procured 11 billion jin of grain, 2 billion jin more than in 1983. It also exerted great efforts to develop animal feed processing and produce grain and oil products. It produced some 470,000 tons of mixed feed, 7 times more than in 1983; and produced some 700 million jin of grain and oil foods, 91 percent more than in 1983. [Summary] [Jinan Shandong Provincial Service in Mandarin 2300 GMT 16 Mar 85 SK]

CSO: 4007/293

SHANXI

SHANXI CPC OFFICIAL ON READJUSTING RURAL PRODUCTION STRUCTURE

HK181252 Tiayuan Shanxi Provincial Service in Mandarin 2300 GMT 13 Mar 85

[Text] On 12 March at the provincial meeting of Agriculture and Animal Husbandry Bureau directors, Wang Tingdong, member of the provincial CPC Committee Standing Committee, emphatically pointed out that doing a good job in the readjustment of the rural production structure and quickening the pace of making the peasants get rich is a pressing matter of the moment and is a long-term task.

Comrade Wang Tingdong said: Time rural areas have smashed the collective economy of eating from the same pot. But this is only the first step of reform of the economic structure. They must continue to take the second step, which is that under the guidance of the state plan, they must expand market regulations and must solve the problems of production being divorced from marketing so as to allow agriculture to develop in a coordinated way. To achieve this aim, in light of the market needs at home and abroad, it is necessary to readjust the rural production structure. It is necessary first to readjust the internal planting structure, which means that while grain production is steadily increasing, the areas of industrial crop fields must be expanded. Second, it is imperative to develop forestry, animal husbandry, and fisheries. Third, it is essential to vigorously develop rural industry and the tertiary industry. Through readjustment, it is necessary to gradually establish a rural production structure consisting of commerce, industry, and agriculture. At present what is worthy of notice is that in the course of readjustment, grain production must be steady. In particular, those places whose yield of grain is high and the commodity grain bases must not effect changes casually. Through the transformation of grain, we must quicken the pace of making the peasants get rich.

Comrade Wang Tingdong expressed the hope that government departments at all levels must vigorously help peasants to set up urban agricultural and sideline product trade fairs, must adopt all kinds of preferential policies to speed up the development of the rural food processing trade and the fodder processing trade, and must take effective measures to provide peasants with information and technological assistance. In particular, they must help specialized households' family forestry centers and livestock farms and must import some advanced technology and equipment so as to make enterprises develop relatively quickly.

In his speech Comrade Wang Tingdong also pointed out: The readjustment of the rural production structure is different from the completion of certain other tasks. We cannot get something done once and for all. In different periods and in different places we can constantly select the best structure so as to make agriculture develop in a coordinated way. Therefore, the readjustment of the rural production structure is both a pressing matter of the moment and a long-term task.

CSO: 4007/293

SICHUAN

SICHUAN AIMS AT ALL-ROUND RURAL ECONOMIC GROWTH

OW200859 Beijing XINHUA in English 0728 GMT 20 Mar 85

[Text] Chengdu, 20 March (XINHUA)--Sichuan, China's leading grain producer, is stepping up rural reforms to achieve balanced agricultural development this year, according to provincial officials here.

The reforms are aimed at ending the dominance of crop cultivation and promoting the all-round growth of farming, animal husbandry, forestry, rural industrial production and fisheries.

In 1985, the area sown with grain will be cut to 8.87 million hectares from last year's 9.33 million hectares, while the area given over to cash crops including rapeseed, peanut and hemp will rise by 18 percent, to 1.33 million hectares.

Fine crop strains will be used more widely and more compound chemical fertilizers and new agrotechniques applied to ensure that Sichuan's grain production reaches 40.75 million tons this year--up from 40 million tons in 1984.

The province accounted for roughly 10 percent of China's grain output last year.

Meanwhile, 120,000 township-run factories are set to produce goods worth 9 billion yuan this year, a jump of 30 percent.

Farmers are being encouraged by the government to pool funds for the construction of joint venture factories or household workshops.

The provincial government will spend 4 million yuan on 30 new feed processing factories in an effort to boost animal husbandry. The factories, each capable of producing 15,000 tons a year, will be completed by the end of 1984. Most will be built in mountainous areas.

Sichuan's current 130 feed processing factories will produce 750,000 tons this year, up 50 percent over 1984.

The provincial authorities will supply peasants with 1.75 million tons of grain to encourage the development of animal husbandry, fisheries and forestry.

SICHUAN

LOW GRAIN PRICE PROMOTES LIVE HOG PRODUCTION

Beijing JINGJI RIBAO in Chinese 24 Nov 84 p 2

/Article: "Live Hog Production Up Steadily"/

/Text/ Editor's Note: According to state regulations, live hogs are still assigned procurement commodities. The present time is the peak period for the live hogs to be on the market. All localities must take Sichuan and Shandong as examples, they should work to enliven the operation and enhance the procurement work while promoting live hog production, and then purchase all live hogs on assigned procurement according to policy. Peasants must be given an education concerning the interests of the state, the collective and individuals; they are to guarantee the completion of the assignment of selling live hogs to the state on time and according to quantity so that the market will be supplied with sufficient meat.

Live hog production in Sichuan Province is up steadily, and the conditions of purchase, sale, management and storage are comparatively good. Up to the end of the third quarter of this year, the number of live hogs on hand in the whole province had reached more than 59 million. More than 19.4 million live hogs have been slaughtered and pork output is 2.2 billion jin. The pork market is flourishing both in the urban and rural regions throughout the province.

In recent years, Sichuan Province has been continuously having bumper harvests. The fact that the peasants have much grain on hand has provided advantageous conditions for the growth of animal husbandry. Therefore, the provincial government of Sichuan Province proposes to transform grain to meat and continues to encourage the policy of live hog production. Under the strong support of the departments concerned, there is a flourishing growth of pig-raising specialized households in the whole province, the number of such households having reached 338,000.

In order to protect production, open up outlets, support sales regions and increase results, the food managing department of Sichuan Province practices a multichanneled, free-hand operation to relax the previous

difficulty in selling pigs. From the beginning of this year to the first 10 days of November, 120,000 tons of pork was transferred to Lianoning Province, Beijing Municipality, Xinjiang Autonomous Region, Hubei Province and Shanghai Municipality, three-fold that of the same period last year.

Now, the food company of Sichuan Province has asked all counties and municipalities to give a free hand in procurement and storage, to increase processing and to work well on the transfer of live hog management in order to supply more and better meat for the markets inside and outside the province.

Shandong this year has not only achieved steadiness in live hog production but also has increased production; business management is also better than that of past years, both procurement and transfer are able to overfulfill their assignments and the supply of goods is comparatively sufficient.

The main reason for the further development of live hogs in Shandong is that continuous bumper harvests have caused low grain prices and the peasants are willing to raise pigs. Besides, Shandong Province has successively taken several measures which are in accordance with economic law. For example, in the past the live hog was basically under the single control of the food company. But this year more circulation channels have been opened, such that nearly one million more live hog have reached the market compared to last year. This has eliminated the peasants' worries of the past.

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CSO: 4007/112

SICHUAN

FLOURISHING MEAT PRODUCTION PROJECTED FOR 1985

Chengdu SICHUAN RIBAO in Chinese 12 Nov 84 p 2

[Article: "Meat Market Projected for 1984"]

[Text] Since the beginning of this year, live hog production of Sichuan Province has continued to grow steadily. It is estimated that at the end of this year in the whole province, the number of live hogs on hand will increase 2.6 percent compared with that of the same period of last year, while the number of live hogs on hand in the whole year will increase 5.8 percent. In 1985, live hog production in the whole province will continue to grow steadily and there will be a most flourishing tendency for the meat market in both urban and rural regions. The reasons are as follows:

1. The drop in grain prices in country fairs is advantageous for the peasants to breed hogs. According to the statistics of the 17 rural country fairs in the whole province, the average grain price for August was 18 percent lower than that of the same period of last year. At present, 1 jin of meat with bones sold in rural country fairs equals the price of 4 jin of rice. The drop in grain prices lowers the cost of hog production, thus a peasant who breeds and fattens a hog can make a profit of 20 or 30 yuan.
2. The increase of female hogs on hand enriches the hog reserves. According to the estimate of the materials of the Provincial Food Corp's 30 basic point counties, in the rural regions of the whole province at present, the number of female hogs in breeding period is 6.8 percent greater than that of the same period last year. As most of the female hogs are privately raised, both the farrowing rate and survival rate are quite high, and there are sufficient hog reserves for the next year. Throughout the province, the number of live hogs on hand (and thus the amount of fertilizer produced) will increase 2 to 3 million head above this year's base.
3. Due to diversified active management, the meat on market in country fairs has increased. After the retail list price of meat was restored, the price difference between buying and selling widened, and the increase in the profit of operation has aroused the initiative of pork management. Now, in all the urban and rural regions of the province, besides state-run food corporations, collective businesses and great numbers of individual households have all crowded into the market to engage in the meat business. This year, from

January to September, transactions on more than 3.89 million hogs were concluded in the country fair trade of the whole province, with the number of hogs sold increasing 31 percent compared with that in the same period of last year. The meat operations carried out in various ways will be even more active.

4. The opening up of new markets will extend sales outside the province. Currently, the trade channels for Sichuan meat transported and sold to markets outside the province have already been unclogged. The food departments in different localities have established meat trade with 18 provinces, municipalities and regions. It is estimated that in the provincial plan for this year the amount of meat transferred out of the province will reach 150,000 tons, together with the amount of meat transferred outside the plan, there is the possibility of more than 180,000 tons, which will be 9.5 percent of the fattening hogs on hand. This is rare in history. Currently, the food departments in different localities grab the chance to take varied and flexible forms to carry out trade talks with fraternal provinces, municipalities and regions with the purpose of establishing long-term and steady relations for meat supplies. It is estimated that the amount of meat sent out next year will possibly exceed the level of this year.

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CSO: 4007/116

SICHUAN

BRIEFS

SICHUAN AWAITING PORK REALLOCATION--In order to arrange for the new year and spring festival markets, it is the peak season for procurement, slaughtering and shipment of hogs. However, at present, a large amount of pork in Chongqing Prefecture, due to transport limitations, cannot be shipped. A large amount of pork has accumulated in the freezers. The amount of pork to be shipped is large in Chongqing this year. The quantity of frozen pork planned for shipment to other provinces and municipalities, e.g., Beijing, Tianjin, Shanghai, Liaoning, Heilongjiang, Yunnan, etc., amounted 46,000 tons throughout the seasons, but until 15 November, the quantity shipped was merely 8,000 tons. This year, the development in hog output in Chongqing Prefecture continues, and the prospect is very good. The number of hogs demanded by prefectures such as Fuling, Nanchong, Daxian County, etc. exceeded the shipment plan by 30,000 to 40,000. At present, the three major slaughterhouses and freezers of Chongqing are completely full. The freezer at Nanxikou, due to this situation, stopped procurements and production for 4 days. The trucks for hog transport from various prefectures and counties are still coming, waiting in long lines for procurements. [Text] [Beijing JINGJI RIBAO in Chinese 18 Dec 84 p 1] 12726

SICHUAN ALLOCATES SURPLUS GRAIN--With approval from the central authorities, the provincial government has decided to allocate 3.5 billion jin of grain from the state treasury to food companies and households in equal portions this year. The half for the companies will be used for purchasing pigs, eggs, and aquatic products. The other half will be distributed to various localities and be received by specialized households engaging in animal husbandry, processing of nonstaple food, and forestry. [Summary] [Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 19 Mar 85 HK]

CSO: 4007/293

TIANJIN

TIANJIN PEASANT INCREASES VILLAGE INCOME

OW080935 Beijing XINHUA in English 0834 GMT 8 Mar 85

[Text] Tianjin, 8 March (XINHUA correspondent Yang Jisheng)--A north China peasant who succeeded in increasing his village's income 16 fold between 1978 and 1984 is now regarded as a local hero.

The secret of Yu Zuomin, 55, communist party secretary of Daqiu Village, near the industrial port of Tianjin, lies in extending the villagers' operations from farming to industry and service trades.

Yu, who is also manager of the Daqiu Company of Agriculture, Industry and Commerce, now administers 4 factories with 19 subdivisions in addition to a farm of 320 hectares.

Products from these factories are sold in different parts of China.

A poor village just a few years ago, Daqiu earned 14 million yuan (about 5 million U.S. dollars) last year. The average per-capita after-tax income of the 3,100 residents came to 2,100 yuan (750 dollars)--more than twice the total earned between 1971 and 1978.

Admiring the neat garden-like fields and white factory buildings around the village, I found it hard to imagine that the place has been an unsuccessful area not long ago, pestered by soil alkalinity.

Nor could I believe my ears when Yu, wearing a stylish Western suit, and sitting in his spacious carpeted office, told me that he was in rags just a few years back.

I asked him what was behind his impressive success.

"Well, we've taken full advantage of the new policies," Yu said with a smile.

The first step was to introduce the contract responsibility system, which encouraged initiative and increased farm yield considerably.

But farming alone was not enough to boost the village's income and improve living standards significantly.

The best use had to be made of the increasing number of workers being released from the fields by rising productivity, Yu said.

He thought of diversifying the local economy, but had to convince his fellow villagers before he could start doing it. So he called them together to discuss the problem.

"Look, we are now growing some 1,000 tons of grain a year, which is worth only 200,000 yuan (71,000 dollars)," Yu told them.

"Even if we increase it to 5,000 tons, the net income would be only about 600,000 yuan (214,000 dollars), or 200 yuan (71 dollars) a year for each person."

He finally convinced the peasants that they had to launch into industry or other ventures if they really wanted to improve their living standards.

But how could a group of peasants with little technical knowledge set up industry?

"I decided to seek the help of a man named Liu Wanming--who had been shunned under the old ultra-left policy for having served as a soldier in the Kuomintang army--because he had some knowledge about industry," Yu said.

He raised 100,000 yuan (35,000 dollars) from among the villagers in 1978 for Liu to start a strip steel rolling mill. This brought in a profit of 300,000 yuan (107,000 dollars) the same year because strip steel was in big demand in Tianjin.

To augment the village's technical knowledge, Yu invited more than 100 people including professors, engineers and skilled workers from Tianjin to act as consultants.

As the rolling mill yielded more profit, Yu spend 400,000 yuan (142,000 dollars) in establishing a college affiliated with the Tianjin Institute of Science and Technology to train villagers in various skills.

"Our business has grown from strength to strength," he said.

"Now we have, in addition to the rolling mill, an electrical appliances' factory, a tube-welding shop and a printing house, with their fixed assets and circulating funds totaling 18 million yuan (6.4 million dollars)."

"What about farming?" I asked.

"Thanks to the responsibility system and specialization of operations, the number of people needed for growing grain has shrunk steadily from 1,200 in 1978 to 220 at present," Yu said.

Grain output hit a record high of 1,750 tons last year--550 tons more than the previous peak.

"Our farming has benefited from our industry," Yu said. Over the past 3 years, well over a million yuan (350,000 dollars) from industrial profits has been diverted to the expansion of agriculture.

These developments were followed by the setting up of the company of agriculture, industry and commerce to broaden the scope of operations still further.

"Now, 80 percent of the villagers are no longer working in the fields, but they still live in the village," Yu said.

"I don't think the release of labor power from farmland will necessarily mean its gravitation into cities."

Turning to the subject of business management, Yu said his success lay to a large extent in courage and determination to use able people and take the necessary risks on the basis of thorough market surveys.

"We trust the people we employ and allow the factory directors to spend up to 1 million yuan (35,000 dollars) at their own discretion," Yu said. "And we give handsome rewards to those who are exceptionally successful."

The tube-welding factory made a profit of 1.7 million yuan (607,000 dollars) in 1983, and many thought that was the maximum it could reach.

"I told the factory director that if he could raise the profit to 3 million, his annual pay would be increased to 30,000 yuan (10,700 dollars)," Yu recalled.

"He accepted the challenge, and produced 3 million yuan (1.07 million dollars) by the end of last year, and he was paid the high salary promised."

Yu showed his shrewdness by taking risks when he made a difficult decision after learning from the electrical appliances factory that a knife switch it was making had been struck off the list of products required by the machine-building industry.

Many people advised that the factory should stop producing it, but Yu insisted that production be continued, puzzling everyone.

"Well, you see," he explained, "lots of factories are still using the switch, right? Even if it is obsolete, these factories will take time to retool themselves and adopt a new type of switch. So demands for the present switch will last for some time yet."

The knife switch proved very popular and earned Yu's company a lot of money.

"We scored this hit not because I was a prophet, but because I had the latest market information provided by my couriers running around the country as well as the many consultants," he said.

While the people of Daqiu are becoming better off, they are also making increasingly large contributions to the country through taxes and the supply of badly-needed goods.

Not content with his operations inside China, Yu is now considering entering the foreign market.

He added: "We are trying to start a joint venture with a Japanese firm, and the negotiations have been proceeding smoothly."

CSO: 4020/160

XINJIANG

XINJIANG HOLDS REGIONAL GRAIN WORK CONFERENCE

HK200919 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 18 Mar 85

[Excerpts] The regional conference on grain work which was held from 4 to 15 March, decided to further consolidate the development of our region's current excellent situation in grain work and to guarantee the smooth progress of reform so as to make a new breakthrough in grain work this year.

In accordance with the decision of the State Council, in the future, monopoly purchase of grain will be abolished, grain will be ordered by contract, and grain and oil business will be expanded on the basis of negotiated prices. This will promote the great development of the grain business. In this new situation, the ideas of leaders in grain departments at all levels must be shifted to the aspect of raising economic results. Their ideas must be shifted from management to doing business. They must continue to firmly grasp grain production and must support rural areas to readjust their production structure.

The conference emphatically pointed out: Grain departments must encourage and mobilize peasants to do well in locally transforming grain into meat, poultry, eggs, and milk. This is a new task for the grain departments in the new situation. It is essential to seriously conduct investigation and study, to find a new way, and to promote the production of grain and oil. It is necessary to do well in purchase, processing, and sales and to invigorate the new way to do grain and oil business. We must vigorously develop food made from grain and oil and fodder production.

CSO: 4007/293

XIZANG

XIZANG ISSUES CIRCULAR ON SPRING AGRICULTURAL PRODUCTION

HK220617 Lhasa Xizang Regional Service in Mandarin 0500 GMT 20 Mar 85

[Excerpts] Recently the Regional People's Government issued a circular urging all localities to do well in spring agricultural and animal husbandry production.

The circular pointed out that this year's spring agricultural and animal husbandry production has now reached its climax. Firmly grasping spring agricultural and animal husbandry production is the key to reaping bumper harvests in agriculture and animal husbandry this year. Therefore, the Regional People's Government demanded that all localities and the vast number of cadres and peasants and herdsmen in rural and pastoral areas firmly grasp the current five tasks:

1. They must further implement the spirit of the forum on Xizang's work held by the central leadership so as to promote spring agricultural and animal husbandry production.
2. They must properly carry out work in fighting against natural disasters, protecting trees, delivering lambs, and breeding seedlings, and firmly grasp spring agricultural and animal husbandry production.
3. They must earnestly and properly implement various measures on spring agricultural production and fulfill this year's spring-sowing task in quantity and quality.
4. They must vigorously promote agricultural and animal husbandry science and technology service.
5. It is necessary to strengthen leadership and improve work style. Cadres at all levels must, in accordance with the spirit of reform, earnestly improve their work style and improve and strengthen their leadership over spring agricultural and animal husbandry production.

CSO: 4007/293

ZHEJIANG

BRIEFS

ZHEJIANG PRODUCTION RISES--Hanzhou--Market-oriented production in rural Zhejiang Province is developing with great momentum due to an increase in households specializing in producing a single commodity or service. According to the provincial Agricultural Department, specialized households has exceeded 1.7 million, accounting for one-fifth of the province's total rural households. These households cultivate crops and flowers, raise livestock and poultry, breed fish, or engage in commerce, transport and food processing. Among them, 100,000 households are in the transport sector, the official said. They have 2,600 buses and trucks, and 4,600 boats. Wang Chunhai, a farmer in Yiwu County, now is breeding 1,600 poisonous snakes and supplying large amounts of gallbladders and venom to pharmaceutical factories every year. In addition, farmer households are being encouraged by the government to start factories and shops in towns and cities to provide employment opportunities for urban and rural labourers released from jobs as a result of the institution of the initiative-based "responsibility system." [Text] [Beijing CHINA DAILY in English 20 Mar 85 p 1 HK]

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